

A Regular Meeting of the City Council of the City of Hickory was held in the Council Chamber of the Municipal Building on Tuesday, October 17, 2017 at 7:00 p.m., with the following members present:

Brad Lail	Jeff M. Cline	Hank Guess
Vernon Tarlton	Aldermen	David P. Zagaroli
Danny Seaver		Jill Patton

A quorum was present.

Also present were: City Manager Warren Wood, Assistant City Manager Andrea Surratt, Assistant City Manager Rodney Miller, City Attorney John W. Crone, III, Executive Assistant to the City Manager Deisy Zavala Vazquez and City Clerk Debbie D. Miller

- I. Mayor Cline called the meeting to order. All Council members were present.
- II. Invocation by Reverend Reggie Longcrier, Exodus Missionary Outreach Church
- III. Pledge of Allegiance
- IV. Special Presentations
 - A. Proclamation for "Reverend Reggie Longcrier Day", October 18, 2017.

Mayor Cline asked Reverend Reggie Longcrier to the podium. He read and presented the proclamation to Rev. Longcrier. The audience gave Reverend Longcrier a standing ovation.

Reverend Longcrier thanked everyone and commented to "God be the glory".
 - B. Proclamation for "Chief Fred Hollar Day", November 2, 2017.

Mayor Cline asked Chief Fred Hollar of the Hickory Fire Department to the podium. He read and presented the proclamation to Chief Hollar. The audience gave Fire Chief Fred Hollar a standing ovation.

Chief Hollar joked that they left out he had worked for five City Managers and if anyone was trying to figure out his age he started when he was eight years old. He thanked everyone for allowing him the opportunity to do what he loves to do.
 - C. Proclamation for Breast Cancer Awareness Month.

Mayor Cline asked the members of the ZTA Sorority to the podium. He read and presented the proclamation for Breast Cancer Awareness Month to the sorority.
- V. Persons Requesting to Be Heard
- VI. Approval of Minutes
 - A. Regular Meeting of October 3, 2017

Alderman Tarlton moved, seconded by Alderwoman Patton that the Minutes of October 3, 2017 be approved. 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.

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

 - A. Approval of an Ordinance to Modify the Downtown Parking Deck Layout to Better Accommodate Customers Parking Needs. (First Reading Vote: Unanimous)
 - B. Approval of the Lease Agreement with Rene Martinez, Jr. for the City-Owned Property Located at 1123 15th Street NE. (First Reading Vote: Unanimous)
 - C. Approval of a Future Annexation Agreement for Joseph and Hedy Paussa for Property Located at 2614 36th Avenue NE. (First Reading Vote: Unanimous)
 - D. Budget Revision Number 8. (First Reading Vote: Unanimous)
- VIII. Consent Agenda: All items below are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item IX.

Alderman Lail moved, seconded by Alderman Zagaroli approval of the Consent Agenda. The motion carried unanimously.

- A. Approved the Annual "Food for Fines" Amnesty Weeks at Patrick Beaver Memorial Library and Ridgeview Branch Library.

Library staff requests approval of the waiver of overdue fines for library customers who donate canned, boxed, or bagged food items at either Patrick Beaver Memorial Library or Ridgeview Branch Library during the two-week period of November 15-30, 2017. One item of food will cancel one dollar in overdue fines, and donated items will be given to Greater Hickory Cooperative Christian Ministry. The program was successfully carried out in past years, resulting in thousands of items collected to help feed the hungry in our community during the holidays. For the two-week event in November 2016, Hickory Public Library collected a total of 2,247 items that were donated to the Greater Hickory Cooperative Christian Ministry. This is the fifth year in a row that Hickory Public Library and Catawba County Library System will partner to sponsor a "Food for Fines" event during the same period. The annual event receives strong support from library users, and many donate items whether or not they have fines. The Great Hickory Cooperative Christian Ministry indicated that the food collected at the library helped fill their shelves at a critical time of the year. This year's event is scheduled to coincide with National Hunger and Homelessness Awareness Week. The amnesty week event creates a sense of goodwill among our customers, helps many of the less fortunate in our community, encourages customers to return long-overdue items making them available for others, and has resulted in positive media coverage of the both library systems in prior years. Library staff recommends approval of the annual "Food for Fines" Amnesty Weeks

- B. Approved on First Reading a Landscape Incentive Grant for Non-Residential Property Located at 518 4th Street SW in the Amount of \$2,500.

The Community Appearance Commission recommends City Council's approval of a Landscape Incentive Grant for non-residential occupied by Green Park Dentistry, and owned by JAHS Ventures, LLC, located at 518 4th Street SW in the amount of \$2,500. City Council created the Landscape Incentive Grant program in 1999 to provide economic incentives for property owners to improve the general appearance of properties located within the City. The Community Appearance Commission reviews applications for the grant program and forwards a recommendation of approval or denial to City Council. The grants are designed as a reimbursement grant in which the City of Hickory will match the applicant on a 50/50 basis. The maximum grant amount from the City of Hickory is \$2,500. The grant proposal put forth involves the installation of plant materials and retaining walls for slope stabilization. The applicant has provided two bids for the items listed above, which total \$6,906 and \$7,145. If Council moves to approve the proposed grant at the lower of the two estimates, the request would qualify for a \$2,500 grant. The subject property's current tax value is assessed at \$258,200. The requested grant amounts to one percent of the property's tax value. The application was reviewed by the Community Appearance Commission at its September 25, 2017 meeting. Upon review the Community Appearance Commission scored the application utilizing its grant scoring criteria. Upon completion of the scoring exercise, the Community Appearance Commission voted unanimously (6-0) to recommend funding of the grant application in the amount of \$2,500.

- C. Approved on First Reading a Community Appearance Grant for Non-Residential Property Located at 817 8th Avenue NE in the Amount of \$5,000.

The Community Appearance Commission recommends City Council's approval of a Community Appearance Grant for non-residential property owned by Paige Johnson located at 817 8th Avenue NE in the amount of \$5,000. City Council created the Community Appearance Grant program in 1999 to provide economic incentives for property owners to improve the general appearance of properties located within the City's designated Urban Revitalization Area. The Community Appearance Commission reviews applications for the grant program and forwards a recommendation of approval or denial to City Council. The grants are designed as a reimbursement grant in which the City of Hickory will match the applicant on a 50/50 basis. The maximum grant amount from the City of Hickory is \$5,000. The grant proposal put forth involves the replacement of a portion of the building's front façade. The property is located within the City's defined Urban Revitalization Area, and as such is eligible for the consideration of a Community Appearance Grant. The applicant has provided two bids for the work listed above, which total \$10,921.27 and \$14,989. If Council moves to approve the proposed grant at the lower of the two estimates, the request would qualify for a \$5,000 grant. The subject property's current tax value is assessed at \$114,400. The requested grant amounts to 4.4 percent of the property's tax value. The application was reviewed by the Community Appearance Commission at its September 25, 2017 meeting. Upon review the Community Appearance Commission scored the application utilizing its grant scoring criteria. Upon completion of the scoring exercise, the Community Appearance Commission voted unanimously (6-0) to recommend funding of the grant application in the amount of \$5,000.

- D. Approved the Citizens' Advisory Committee Recommendations for Assistance through the City of Hickory's Housing Programs and Accept the Agreement of the Sale of Property Located at 448 1st Street SW Owned by Elaine Conner Witherspoon.

The following requests were considered by the Citizens' Advisory Committee at their regular meeting on October 5, 2017.

Accept an agreement of sale of property located at 448 1st Street SW owned by Elaine Conner Witherspoon. The agreement of sale is between Sean Witherspoon for Elaine Conner Witherspoon to HIS of NC, LLC, Jeffrey Richman, Member and/or Assigns, in the amount of \$17,500. The proceeds from the sale will not be enough to pay-off the City's previous housing rehabilitation loan. The current balance is \$13,705.96, and the City is in second position on the liens. Staff anticipates approximately \$2,500 to \$3,000 out of the sale. The property is nearing foreclosure which could lead to the City receiving no funds from the sale.

The following applicants are being recommended for approval for assistance under the City of Hickory's 2017 Urgent Repair Program. This program provides qualified low income citizens with assistance for emergency related repairs not to exceed \$8,000.

- Patricia Gilvaja, 321 2nd Avenue SE, Hickory, up to \$8,000
- Annie Hoover, 856 F Avenue SE, Hickory, not to exceed \$8,000
- Margarite Surratt, 240 3rd Street SE, Hickory, up to \$8,000
- Gwendolyn Tucker, 219 10th Avenue SW, Hickory, up to \$8,000 (conditioned upon verification of status of a single-family dwelling and inspection for eligible repairs)

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

- E. Approved on First Reading Change Order Number One with HDR Engineering, Inc. in the Amount of \$14,046 for the Water Treatment Emergency Generator Contract.

Staff requests Council's approval of change order number one with HDR Engineering, Inc. for the Water Treatment Facility Emergency Generator Contract in the amount of \$14,046.00. The Water Treatment Facility has a current production average of 12 million gallons per day. Being a regional provider, we supply water to approximately 97,000 people per day. A reliable back-up power source is necessary for the operation of our facility. The existing back-up generator was manufactured in 1985 and is past its useful life expectancy. Council approved the design of the replacement emergency generator facilities in November 2014 and approved construction of dual load sensing generators that were designed to handle the full load of the facility and to better control the demand in off peak situations with Crowder Construction Company in October 2015. Change order number one is for additional work, shop drawing review, and construction administration due to the unexpected faulty wire in the existing facility. The contractor, engineer and owner vigilantly worked thru several scenarios to solve the grounding issue. Ultimately, the repair was handled internally by Hickory Public Utilities Division and subcontractors to make the repairs more affordable. This scenario saved the project approximately \$250,000. Staff recommends Council's approval of change order number one with HDR Engineering, Inc. for the Water Treatment Facility Emergency Generator Contract in the amount of \$14,046.

- F. Approved on First Reading Change Order Number Two with Crowder Construction Company in the Amount of \$56,119.25 for the Water Treatment Emergency Power Generator Replacement Contract.

Staff requests Council's approval of change order number two with Crowder Construction Company on the Water Treatment Facility Emergency Power Generator Replacement Project in the amount of \$56,119.25. The Water Treatment Facility has a current production average of 12 million gallons per day. Being a regional provider, we supply water to approximately 97,000 people per day. A reliable back-up power source is necessary for the operation of our facility. The existing back-up generator was manufactured in 1985 and is past its useful life expectancy. Council approved the design of the replacement emergency generator facilities in November 2014 and approved construction of dual load sensing generators that were designed to handle the full load of the facility and to better control the demand in off peak situations with Crowder Construction Company in October 2015. Change order number two is for additional work, mobilization, set up of equipment for testing and equipment rental due to unforeseen circumstances. As the project was nearing completion of construction the contractor determined that the power lines to the raw water pump station were shorted somewhere in the conduit at the existing facility. The shorted power lines had to be found and repaired before the replacement generators could be connected and tested. The contractor, engineer and owner vigilantly worked thru several scenarios to solve the grounding issue. Ultimately the repair was handled internally by Hickory Public Utilities Department and subcontractors to make the repairs more equitable. This scenario saved the project approximately \$250,000. Change order number two will be funded from funds remaining

on the purchase order. Staff recommends Council's approval of change order number two with Crowder Construction Company on the Water Treatment Facility Emergency Power Generator Replacement Project in the amount of \$56,119.25.

- G. Approved on First Reading Acceptance of the Bids and Award of the Contract with Midstate Contractors, Inc. for Asphalt Resurfacing Using Federal Funds for FY 2017-2018.

Staff requests Council's acceptance of the bids and award of the contract with Midstate Contractors, Inc., for asphalt resurfacing in the amount of \$66 per ton for S9.5A asphalt surface, \$400 per ton for binder, and \$4 per sq. yd. for asphalt milling (100-1,000 sq. yds.) using federal funds. Transportation Division staff prepared formal bid documents for an estimated 900 tons of asphalt surface course and up to 1,000 square yards of asphalt milling. The asphalt binder unit price will be adjusted according to NCDOT standard procedures. All work will be paid on an in-place unit price basis as the Community Development Block Grant (CDBG) budget allows. Resurfacing under this contract will be performed in the CDBG eligible funding areas. The project was advertised on the City's website and bid documents were available electronically. Two bidders submitted sealed bids: J.T. Russell & Sons, Inc. and Maymead, Inc. Since only two bids were submitted a re-advertisement and new bid documents were made available by the same means. Two bidders submitted sealed bids: J.T. Russell & Sons, Inc. and Midstate Contractors, Inc. The formal bids were publicly open and read on September 19, 2107. Midstate Contractors, Inc. was the lowest bidder with a total bid amount of \$87,400. Contractor's prices are firm until June 30, 2018. The project will be coordinated and overseen by the City's Street Division staff for the duration and completion of the resurfacing. Staff recommends Council's acceptance of the bids and award of the contract with Midstate Contractors, Inc., for asphalt resurfacing in the amount of \$66 per ton for S9.5A asphalt surface, \$400 per ton for binder, and \$4 per sq. yd. for asphalt milling (100-1,000 sq. yds.) using Federal funds.

- H. Approved on First Reading Acceptance of the Bids and Award of the Contract with J.T. Russell and Sons, Inc. for Asphalt Resurfacing.

Staff requests Council's acceptance of the bids and award of the contract with J.T. Russell and Sons, Inc. for asphalt resurfacing in the amount of \$53 per ton for S9.5A asphalt surface, \$53 per ton for S9.5B asphalt surface, \$62.35 per ton for S4.74A asphalt surface, \$57 per ton for asphalt parking lots for S9.5A, \$447 per ton for binder, \$5 per sq. yd. for edge milling, \$15 per sq. yd. for asphalt milling (100-1,000 sq. yds.), \$10 per sq. yd. for asphalt milling (1,001-3,000 sq. yds.) and \$6 per sq. yd. (3,001-6,000 sq. yds.). The Transportation Division staff prepared formal bid documents for an estimated 5,825 tons of asphalt surface course in place and up to 10,500 square yards of asphalt milling. All work will be paid on an in-place unit price basis as the resurfacing budget allows. This work is budgeted in the Street Division's FY 17-18 budget. The project was advertised on the City's website and bid documents were available electronically. Two bidders submitted sealed bids: J.T. Russell & Sons, Inc. and Maymead, Inc. Since only two bids were submitted a re-advertisement and new bid documents were made available by the same means. Two bidders submitted sealed bids: J.T. Russell & Sons, Inc. and Midstate Contractors, Inc. The formal bids were publicly open and read on September 19, 2017. J.T. Russell & Sons, Inc. was the lowest bidder with a total bid amount of \$513,950. Contractor's prices are firm until June 30, 2018. The project will be coordinated and overseen by the City's Street Division staff for the duration and completion of the resurfacing. Staff recommends Council's acceptance of the bids and award of the contract with J.T. Russell and Sons, Inc. for asphalt resurfacing in the amount of \$53 per ton for S9.5A asphalt surface, \$53 per ton for S9.5B asphalt surface, \$62.35 per ton for S4.74A asphalt surface, \$57 per ton for asphalt parking lots for S9.5A, \$447 per ton for binder, \$5 per sq. yd. for edge milling, \$15 per sq. yd. for asphalt milling (100-1,000 sq. yds.), \$10 per sq. yd. for asphalt milling (1,001-3,000 sq. yds.) and \$6 per sq. yd. (3,001-6,000 sq. yds.).

- I. Approved on First Reading Acceptance of the Bid and Award of the Contract with Harper Corporation for Construction of the Sodium Hypochlorite Generation Replacement Project in the Amount of \$1,289,500.

Staff requests Council's acceptance of the bid and award of the contract with Harper Corporation for construction of the Sodium Hypochlorite Generation Replacement Project in the amount of \$1,289,500. The City of Hickory Public Utilities Division owns and operates one 32 MGD Water Treatment Facility that was last upgraded in 1992. In 2002, Public Utilities made the decision to remove the one ton chlorine gas cylinder feed system for disinfection and replace with a sodium hypochlorite generation system. These type systems are safer for the coworkers and make a less hazardous atmosphere for the neighboring area. The current system was the first to be installed in North Carolina and has worked well for the facility. In recent years, Public Utilities has spent a substantial amount of resources on maintenance and replacement. Staff has reviewed options and made comparisons for more extensive repairs versus replacement and feel that it is time to replace the system with newer technology. Public Utilities Division staff developed and distributed a Request for Qualifications for design of the Sodium Hypochlorite

Replacement System Project. Hulsey, McCormick and Wallace was chosen as the design firm to complete design for the project. Staff worked with Hulsey, McCormick and Wallace to develop comprehensive plans and documents to design the replacement of the system. The project advertised for bids on August 18, 2017 and due to insufficient bidders the project had to be re-advertised for receipt of bids on October 4, 2017. Bid results with selected alternates are as follows: Harper Corporation - \$1,289,500; Gilbert Engineering Company - \$1,325,060; Brushy Mountain Builders Inc. - \$1,450,000. Hulsey, McCormick and Wallace has evaluated the bid packages and found Harper Construction to be the lowest responsible bidder and has recommended acceptance and award of the project to Harper Construction. The project is a component of the Public Utilities Capital Budget for FY 17-18. Staff request addition of a five percent contingency in addition to the low bid for unforeseen circumstances in the amount of \$64,475. Staff recommends Council's acceptance of the bid and award of the contract with Harper Corporation for construction of the Sodium Hypochlorite Generation Replacement Project in the amount of \$1,289,500.

IX. Items Removed from Consent Agenda – None

X. Informational Item

XI. New Business:

A. Public Hearings

B. Departmental Reports:

1. Quarterly Financial Report – Assistant City Manager Rodney Miller

City Manager Warren Wood advised there was one departmental report from Staff. He asked Assistant City Manager/Chief Financial Officer Rodney Miller to the podium to present the quarterly financial report to Council.

Assistant City Manager Rodney Miller advised in 1997, some of Council members and some of the audience may recall Tim Inch the former Finance Director for the City of Hickory. He worked for the City for ten years. In fact, Mr. Miller worked for him in 1997. Mr. Inch gave this report quite often, somewhat in a colorful tone he gave a history lesson, a music lesson and had a lot of fun with it. He would take the date of the agenda, and actually went back in history in the archives to try and find out the historical events for the City of Hickory. Mr. Miller was sad to report that Mr. Inch had passed away this past Sunday at the age of 66 from colon cancer. He referenced that he knew it was breast cancer awareness month, but he wanted to encourage men to get their colon cancer screenings. Mr. Inch did not have one. He advised that he had lost his father-in-law to colon cancer as well. Mr. Inch had a short battle with cancer and it overtook him on Sunday. He requested a moment of silence for Tim Inch. A moment of silence was observed.

Mr. Miller presented a PowerPoint presentation and advised we are at the end of our first quarter of our fiscal year. The City's fiscal year, just like other cities across the State of North Carolina, run from July 1st to June 30th each year. The first quarterly report was through September 30th (July, August and September). The General Fund was the main operating fund of the City. The main revenue source was ad valorem taxes, which is property taxes, real, personal, business, industrial, and motor vehicles. He referenced the PowerPoint and advised the City had a \$26.4 million dollar budget for our ad valorem taxes of which through September the City had received \$5.3 million dollars or 20 percent of the budget. He advised that is not uncommon, most of the property tax revenues come in December and January. Those numbers will go up then. Referencing the PowerPoint the next row was Other Taxes which was primarily sales taxes. The City had just over a \$15.1 million dollars budget for that revenue source. He advised this was a little delayed, 45 days, all the sales tax dollars go to the Department of Revenue in Raleigh, then those come back to the City of Hickory on a monthly basis. We have received two months of sales tax revenues, not three, because of that delay. We are at 14 percent of our revenue budget. The next item was Intergovernmental, \$2.6 million dollars, which was revenues which we may have with Catawba County, those are State revenues, and also Tourism Development Authority revenues which we receive, 41 percent received. He discussed Permit Fees and Sales and Services, \$1.7 million dollars. He referenced the \$1.1 million dollars which the City received in privilege license revenues from the State that they took away from us. The City had to make up for that revenue source a couple of years ago. He advised in Investment Earnings the City budgeted \$125,000. There was one partial month in there, which was actually done on a quarterly basis, they did that in the month of October so that is why that revenue source was so low. It didn't make the first three months of the revenue report. He discussed Miscellaneous which varies items; whether it is donations, rental of equipment, and/or a rental house, we have a rental house or two in the City which we rent, that

revenue source was right at 24 percent. He discussed Other Financing Sources which was \$7.4 million dollars, that was two things primarily: 1) the amount of Fund Balance which the City appropriates to balance the budget, because we don't get property tax revenues until December so we have to be able to pay the bills with that Fund Balance; and 2) those are encumbrances that were committed on June 30th that had rolled forward into this fiscal year. At the end of the quarter for our revenues we had received a little over 18 percent through 25 percent of the fiscal year. He discussed the City's two largest revenue sources which compared the first three months for the last three years. He noted we are about on par with where we were last fiscal year. You never know how many people pay and this can vary depending on various mortgage companies and when they send the checks for people that they collect their property taxes for. We are higher than 2016. This is a revenue source that we must see growing, and we want it. It is tied to economic development. We want our City to grow both in residential, commercial and industrial property values as well as motor vehicles. He showed that the budgeted revenues for property taxes were \$26.4 million dollars. He discussed Sales Tax Revenues which was the second largest revenue source, tied to the economy, as more people come here to shop, to eat, to do business, we capture those sales tax revenues. He reported for the first two months compared to last year we were up about 4.91 percent, which is a positive thing. He added that was the amount that we actually increased last fiscal year over the year before. He advised that the City's audit was not quite finished. In the next couple of weeks that audit report will be finished by the auditors and they will get the Audit Committee together and then they will present the Comprehensive Annual Financial Report to City Council at one of the November meetings for last fiscal year. He noted how the increase had occurred over the last four years. He reiterated the amounts were for just two months of sales taxes received, but certainly that was a positive sign for the first two months. This fiscal year is higher than the last three. He discussed Building Permit Activity. He advised this was a calendar year, this was not on a three months cycle, but actually a nine months cycle, from January 1st through September 30th. On our residential side those were the number of building permits and the activity had picked up in 2017. It was considerably higher than 2015. We are certainly excited about the residential sector of the economy growing again. It was up eight percent through nine months compared to last year. The commercial number of permits were down three percent from 286 to 277. He advised that our residential value had gone from \$15.2 million dollars to \$18.6 million dollars, an increase of 22 percent. Again, that is a positive. In commercial you would see a decline. In last year's number the \$70 million dollars, CVCC's permit was in there which was \$25 million dollars of which we get no revenue because they are tax exempt. If you take \$25 million dollars away you are at \$45 million so we are basically on par with where we were last year at this time. He wasn't terribly concerned about that because of the building activity. He referenced projects throughout the City which were in some form of completion; either just beginning, or almost complete. He advised Publix, which had opened earlier this year was left off the list. He referenced some of the projects: Frye/Duke LifePoint were doing a major expansion, \$15 million dollars, which was quite significant; residential, an 80 unit apartment complex just off of Springs Road near the Sam's Express Carwash, which is underway; Fed Ex, \$3.2 million; he noted some other residential units in Viewmont which had begun grading for 144 units in the Viewmont Complex. He referenced City Council last month had approved a mixed use and a residential project on Short Road across from CVCC. They are going to put in 318 units and 40,000 square feet of mixed use for that particular area of the City. He advised that Lenoir-Rhyne's Science Building was almost finished, and they had done some renovations and some new dorm projects at Lenoir-Rhyne were underway. He advised White Tire was one of the newest at \$1.1 million dollars on Springs Road, a new building for them. He advised that the CVCC building was currently under construction, he reiterated it was a \$25 million dollar project; Shurtape \$2.8 million dollars; and we don't have tenants yet, but there is a development project at the corner of 29th and Highway 127. This was a fair amount of projects. He joked there were no mattress stores on there from last year, we had four or five last year. It is diversified. It is all different sectors. He was pleased that the diversification has occurred and hopes that this continues. He thought that was the lions share.

Mr. Miller discussed the General Fund on the expenditure side. Referencing the PowerPoint he showed the expenditures broken down by departments. He advised if you are 25 percent of the year complete you shouldn't be spending more than 25 percent. That would be logical. He advised the IT Department was above 25 percent. That department was at 35 percent. He advised that department had committed and purchased quite a bit of capital expenditures. He advised Other Financing Uses were over too. Those were funds that the General Funds sends to other funds to operate. For example we have a Capital Reserve Fund. We send those dollars in July, so that automatically goes and builds interest. We also send capital project dollars to that fund to fund other capital

projects. That was why that number had increased as well. He advised we were at almost 21 percent in total expenditures of our budget. We are \$1.2 million dollars under, revenues under expenditures. The reason for that is our property tax revenues have not come in, the bulk of them, until December and January; and we only have two months of sales tax revenues whereas we have three months of expenditures.

Mr. Miller discussed the Water and Sewer Fund, which is the City's second largest fund. He noted the annual budget was just over \$27.4 million dollars. We had total revenues of 18.5 percent received so far this year for three months and we have spent 17.3 percent of our budget in the Water and Sewer Fund for a \$327,000 surplus revenues over expenditures. He advised that was the report for the first quarter. He asked City Council for questions.

Mayor Cline asked if Council had any questions or discussion. There were none.

2. Appointments to Boards and Commissions

Mayor Cline asked for nominations to the Boards and Commissions.

CITIZENS ADVISORY COMMITTEE

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 Small Cities Project Area (Council Appoints) VACANT
 (Lydia Doll Resigned 9-6-2017)

COMMUNITY APPEARANCE COMMISSION

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

COMMUNITY RELATIONS COUNCIL

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

HICKORY REGIONAL PLANNING COMMISSION

(Terms Expiring 6-30; 3-Year Terms With Unlimited Appointments)
 (Appointed by City Council)
 Burke County (Mayor Appoints) VACANT
 Catawba County (Mayor Appoints) VACANT

HISTORIC PRESERVATION COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 Historic Properties (Council Appoints) VACANT
 Building Trades Profession (Council Appoints) VACANT

Alderman Tarlton nominated Katherine Mull as Historic Properties Representative for the Historic Preservation Commission.

INTERNATIONAL COUNCIL

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

Alderman Zagaroli nominated Nahrain Kamber as a Representative on the International Council.

LIBRARY ADVISORY BOARD

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 At-Large (2) (Mayor Appoints) VACANT

PUBLIC ART COMMISSION

(Terms Expiring 6-30; 3-Year Terms) (Appointed by City Council)
 Ward 3 (Seaver Appoints) VACANT
 Ward 4 (Guess Appoints) VACANT

PUBLIC HOUSING AUTHORITY

(Terms Expiring 6-30; 5-Year Terms) (Appointed by the Mayor)
 Position 1 Grover Lineberger
 (Eligible for Reappointment)
 Position 9 VACANT

RECYCLING ADVISORY BOARD

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

Ward 4 (Guess Appoints) VACANT

UNIVERSITY CITY COMMISSION

(Terms Expiring 6-30; 2-Year Terms) (Appointed by City Council)
At-Large (not including ETJ) (Council Appoints) VACANT

YOUTH COUNCIL

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

Challenger High School Representative VACANT
Homeschool Representative VACANT
St. Stephens High School Representative VACANT

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

C. Presentation of Petitions and Requests

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

Mayor Cline asked if there were any matters not on the agenda to bring before Council.

City Attorney John Crone advised there were actually two matters not on the agenda. He requested City Council add two matters to the closed session, one being a personnel matter and the other potential litigation.

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

Mayor Cline asked for general comments by members of Council or Mr. Wood.

City Manager Warren Wood mentioned he had saw Mr. Charlie Young earlier in the evening and he wished he would have stayed for the meeting. In 1992, Mr. Don Beaver, Mr. Luther Beaver, Mr. Charles Young, Mr. George Murphy and others believed in Hickory enough to put their money up to bring minor league baseball to Hickory in the form of the Hickory Crawdads at Hickory Baseball. In 2017, they loved Hickory enough to make sure when they handed it off they were going to keep it in Hickory. He referenced an article in the newspaper, the Texas Rangers have purchased Hickory Baseball, which is a coup for the City of Hickory. He gave special thanks to that group of Hickory folks that brought that team here 25 years ago.

City Attorney John Crone advised they had signed a lease extension.

City Manager Warren Wood commented we have them for ten more years and we have been working with the folks in Arlington, Texas to bring their ownership out to Hickory to do a ribbon cutting at the stadium and make a big day of it. They are planning that.

Mr. Wood advised this was Assistant City Manager Andrea Surratt's last official City Council meeting. She is going to Bozeman, Montana to be City Manager in Bozeman. He joked that it was 10 degrees out there, no it is about 15 or 20. He advised she had been with the City for about 10 years and she had been great to work with. She is a quality individual, a good person. Anybody that knows her and has worked with her knows that about her. She is going to be sorely missed. He thanked her for all that she had done for the City of Hickory. A standing ovation was given to Mrs. Surratt.

Assistant City Manager Andrea Surratt commented she didn't have a speech prepared but she had thought about this about five times and she had started different things. She referenced a comment from Reverend Longcrier, there is a calling. She thought that local government can really be a calling for people. You can see that in Warren Wood, in all of the department heads, in Rodney Miller's presentation, in the engineers that we have on staff. She loves local government and wouldn't know what to do if she didn't have that option. She feels that's where she is heading to, a place that needs her, and Hickory needed her at the time that she came here. It is that same sort of interesting challenge. She would not trade these last 10 years for anything for the time that she had. She didn't expect this to be how she moved along but she thought that it made for an opportunity for change for Hickory, so you can put somebody wonderful in and things move right along and she is certainly just one small element of what is a very complicated, significant, and a special time of change here in Hickory. She was so honored and humbled to be part of it for the time that she was here. It will always be her special place.

Alderman Lail invited Mrs. Surratt back to Hickory when the City Walk is complete. She can come visit and see some of the good work that she had been so instrumental in getting underway. He gave her a personal thank you for introducing him to his wife.

Alderwoman Patton commented Mrs. Surratt would be missed by everyone. Everyone recognized what a key part she played in the whole Bond Commission, pulling it together. She didn't know how

Mrs. Surratt had done all of the hours. All of the different camps, everybody moving together, but she had a unique ability to work so well with people and we are going to miss that very much.

Alderman Guess thanked her for all the times that she had helped him. It didn't matter when you called her or what you called her about she always had the answer, if she didn't have it she would make sure that she got it. He couldn't imagine where we would be without all of the grants that she had personally been responsible for. He was a better person because he had known Andrea Surratt and the City of Hickory is in far better shape than what it would have been because of Andrea Surratt. He thanked her for all that she had done. She was going to be tremendously missed and we can't wait until she comes back and visits with us again.

Alderman Seaver advised if for some reason she didn't like it in Montana she could give us a call.

Alderman Zagaroli joked if they need a City Walk or a Riverwalk give us a call we can help direct.

Alderman Guess joked telling her not to tell them about TIGER grants.

Alderman Lail joked that they were called Bear grants there.

Mayor Cline commented when he was involved in Boost Hickory and Mayor Wright would talk about all the grants that the City was going to bring in, folks on Council knew what he was talking about but he didn't, he was talking about Andrea Surratt and what she was going to do and it was true.

Mrs. Surratt commented thank goodness I did it, right. He set a tall task.

Alderman Tarlton commented she did it well. You will be sorely missed. Their gain is our loss.

Mayor Cline asked if there were any other comments or other items to discuss.

Alderman Guess commented that the Oktoberfest this year was a huge success. The weather cooperated with us. There weren't any incidence and everyone seemed to have a good time and everybody that he had an opportunity to speak with was excited about Hickory and what was going on. He commented his hat was off to everybody that had a part in planning that. He knew that it took many folks to put that together it doesn't just happen. To everybody that had a part in that, his hat was off to them. He thanked them, it was a tremendous success.

Mayor Cline asked for any other comments. There were none.

XIV. Closed Session Per NC General Statutes 143-318.11(a)(1)(3)(4)(5)(6) to consult with the attorneys regarding the following: (Action on these items, if any, will occur in Open Session)

Mayor Cline advised there was five items for Council to consider under Closed Session with City Attorney John Crone adding two items, Personnel Matter and Potential Litigation. Council would also discuss approval of the closed session minutes of September 19, 2017; discussion of economic development and discussion of potential property acquisition. He asked for a motion to go into closed session to discuss the items. Alderman Seaver moved, seconded by Alderman Tarlton. The motion carried unanimously.

1. Approval of Closed Session Minutes of September 19, 2017 - NCGS §143-318.11(a)(1)
2. Discussion of Economic Development - NCGS §143-318.11(a)(4)
3. Discussion of Potential Property Acquisition - NCGS §143-318.11(a)(5)
4. Discussion of a Personnel Matter - NCGS §143-318.11(a)(6)
5. Discussion of Potential Litigation - NCGS §143-318.11(a)(3)

City Council convened to closed session at approximately 7:32 p.m.

City Council reconvened to open session at approximately 8:29 p.m.

No action was taken upon return to open session.

XV. There being no further business, the meeting adjourned at 8:29 p.m.

Mayor

City Clerk