

March 3, 2016

A Special Meeting of the City Council of the City of Hickory was held in the Highland Recreation Center Community Room of the Highland Recreation Center on Thursday, March 3, 2016 at 1:37 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, City Attorney John W. Crone, III, Deputy City Attorney Arnita Dula, Governmental Affairs Manager Yaidee Fox, and City Clerk Debbie D. Miller

Staff Present: Parks and Recreation Director Mack McLeod, Public Services Director Chuck Hansen, Planning Director Brian Frazier, Communication Specialist Policy Analyst Sarah Prencipe, Communications, Marketing Manager Dana Kaminske, Human Resources Director Claudia Main, Executive Assistant Cari Burns, Finance Officer Melissa Miller, Budget Analyst Cameron McHargue, Fire Chief Fred Hollar, Deputy Chief of Police Thurman Whisnant, Assistant Public Services Director Steve Miller, Assistant Public Services Director Kevin Greer, Library Director Sarah Greene, and Information Technology Manager Mike Woods

Others Present: Bond Counsel Scott Leo and Bond Commission member Frank Young

- I. Mayor Wright called the meeting to order. All Council members were present. Mayor Wright excused himself to attend another City function and advised that he would return to the meeting around 3:00 p.m.

City Manager Mick Berry reviewed the items that City Council would be discussing during the meeting.

- II. Recent Legislation

Governmental Affairs Manager Yaidee Fox presented City Council a PowerPoint presentation. She gave a 2015 State legislative recap which were: maintained local and regional delegation relationships with Catawba, Caldwell, Alexander, Burke, Lincoln, and Iredell County State legislators; attended rallies against sales tax redistribution and Historic Tax Credits; established new partnerships with more groups with similar legislative interest; and invited both State and Federal legislators to local events. . She informed City Council of what happened with the sales tax redistribution. Cities, counties, chambers, and businesses defeated the 50/50 redistribution of sales tax proposal. The proposal would have taken more than two million dollars of sales tax revenue from Hickory and many more millions from others in the State. Hickory and Catawba County are held harmless in this new formula. She advised City Council that their efforts were invaluable. Their calls, meetings, emails and support helped “beat the drum” against sales tax redistribution.

Mr. Berry commended Mrs. Fox and City Council for their efforts.

Mrs. Fox advised that the legislators expanded the sales tax base to include repairs, maintenance and installation of cars and personal property, which started on March 1, 2016. The revenue will be distributed to the counties across the State that would have received funds from the 50/50 redistribution proposal. Catawba County is not a recipient of this revenue. She advised that maps the City had prepared showing the loss of revenue due to proposed sales tax distribution were all over Raleigh, even when Hickory was not in Raleigh, they were being passed all around Chambers and Legislative Office Buildings. She thanked the City’s Information Technology Manager Mike Woods for his assistance along with the Council of Governments. She advised that the Historic Tax Credits were reinstated as well as Powell Bill funds. They also passed the language to maintain funding sources and economic development incentives we need through JDIG and the One NC Fund. She advised of the increase of municipal vehicle tax cap from \$10 to \$30. The City currently charges \$5 per vehicle. She advised in July 2015 Federal lobbying was moved in house. A few Council members, and Staff had went to Washington, D.C. to meet with Federal legislators and USDOT in pursuit of the TIGER grant funding. Staff also continued the pursuit of other Federal funding opportunities and regulatory support on bond projects. She advised that they had also worked on strengthening relationships with Federal legislators as well.

Mrs. Fox continued her presentation with looking ahead at 2016 “short” session for the North Carolina General Assembly (NCGA). The NCGA is working in various interim oversight and study committees reviewing items from last session and remaining items from any prior sessions. The “short” session will start on April 25, 2016. She advised that current legislative affairs partners with the North Carolina Metro Mayors Coalition and the NC League of Municipalities (NCLM). The NCLM has now retained an additional outside lobbying firm to aid in varying efforts for them. She advised that the NCGA’s focus would include budget adjustments, and raising teacher’s pay. They are currently monitoring the following topics: municipal revenues, transportation discussions, and the economic development tier system by the NC Department of Commerce and NCGA. The key issues for the 2016 “short” session would be protection of municipal revenue sources, especially sales tax. She advised of a new proposal for sales tax refunds for nonprofits (\$700 by Senator Andy Wells). This is currently in the Rules and Operation of the Senate Committee with no sister bill in the House. Another key issues is the economic development tier system rewrite. The State incentives are pushing jobs away from some cities.

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The current system does not provide the greatest benefit to the most distressed counties. The NCGA and the Department of Commerce feel the current system should be discontinued and reexamined. She advised that the City of Hickory is in tier two and the ones in tier one got a lot of the funding. She referenced Iredell County who is linked with Mecklenburg County, they are suffering and missing out on the incentive. Mrs. Fox also advised that another key issue was transportation which included: NC Connect Bonds, additional changes to the STI (Transportation Formula), maintaining Powell Bill Funds, MPO issues, and road diet discussions. She advised regarding the MPO issues, some issues from last year are still pending and involve a complete study of the organization, structure, and oversight of MPO's and RPO's. She also informed that the opportunity to have road diets did not pass last year and there would be tweaks to the FY2015-2017 biennial budget.

Mrs. Fox discussed the 2016 connect NC Bond. Currently the only place in Catawba County that would receive funding would be CVCC, however, there may be some grant opportunities available if it passes.

Alderman Lail commented that Burke County would be receiving 90 million dollars.

Public Services Director Chuck Hansen commented that the City could go after some of the 310 million dollars under water and sewer.

Mrs. Fox discussed pending city cases of concern. She referenced the City of Asheville water system case. The Asheville system serves over 124,000 customers including residential, commercial, industrial, and institutional users. The N.C. Supreme Court has allowed a temporary stay in the case allowing the City of Asheville to retain ownership of the water system while legal action is pending. She also discussed the Lowe's property tax commission appeal. The national retail chain Lowes is using the courts to possibly reduce its local property taxes as it has in other states in recent years. The issue is that counties show different values in the property and they are paying different property tax amounts. She advised this is part of a national strategy to challenge valuation of big box stores. Some area government officials are concerned that if the company is successful, other big box stores would follow suit. The result would be less tax money for already lean government budgets.

Mrs. Fox continued the discussion with what was new in the 2016 Federal session. The TIGER (Transportation Investment Generating Economic Recovery) grant deadline is April 29, 2016. Current funding available is \$500 million dollars. The threshold for urban projects was \$10 million dollars and is now \$5 million dollars. They are evaluating possible Federal grant opportunities with congressional staff. City staff does not know what will apply to our area and projects.

Mrs. Fox discussed recent events which included Corning Optical Communications Headquarters moving due to economic development incentives. Corning would receive over \$2 million dollars in taxpayer funded incentives to move their headquarters from Catawba County to another county in the State. She commented that was a big sting to the City of Hickory. This along with the recent discussion to change the economic development incentives tiering system are key points of interest. She reiterated that the NC Connect Bond has no funding ties to Hickory other than the construction, repair and renovations earmarked for CVCC in the amount of \$6 million dollars.

Mrs. Fox discussed things moving forward. Regarding the economic development revaluation tiering system, the various recommendations by the NC Department of Commerce and the North Carolina General Assembly staff is the creation of a new oversight commission. The commission would determine factors to identify distressed communities, review the mission and resources of existing programs, and consult with subject matter experts from within and outside State government. The commission would consist of 22 members: six each from the House of Representatives and the Senate; eight members of the general public representing local government and business from counties identified as distressed; and two members from the Secretary of Commerce and President of the Community College system as non-voting ex-officio members. She advised that in September 2015 the Municipal Caucus was formed to focus on City, and Town issues. This stemmed from the sales tax and various infrastructure items this past session. This will bring more focus to the effects of legislative actions at the local level.

Alderman Guess commented that we had learned a lot from applying for the TIGER grants. He asked if we were in line for applying by the next deadline.

Mrs. Fox confirmed we were in line.

Alderwoman Patton asked when the City would find out if they were awarded the grant.

Mrs. Fox advised October at the earliest.

Assistant City Manager Andrea Surratt advised that the City didn't have the engineering yet or the details.

Mr. Berry advised that the application was generally the same, and we are one step closer to the engineering and design.

Mrs. Surratt commented that we should have the RFQ's for the design by the time of the review.

Mr. Berry commented that we do have DOT funding through the MPO process. If we get the TIGER grant we may lose the DOT money, but there was no reason not to pursue the TIGER grant.

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Mr. Hansen commented that the City should move on with the process and get the design plan ready.

Mr. Berry advised that in the big scheme of things we are not doing great on Connect NC compared to Burke County. We were stung by the loss of Corning. Alderman Seaver commented that the incentive program should be for creating jobs instead of stealing it from somewhere else. He referred to it as corporate welfare handed out.

Alderman Lail commented that it was nothing but a game, Corning didn't need the money to move their headquarters.

City Attorney John Crone commented that what it boils down to is a bidding war. The whole concept is to get the smaller or middle size businesses to relocate.

Alderman Lail commented that Catawba County is still suffering.

Discussion ensued on thoughts of a narrative to petition for. The 1764 Park could bring in new businesses.

Alderman Zagaroli suggested contacting "friends" of the newer industries, they might want to locate to Hickory.

Mr. Berry advised that the Catawba County EDC was working on that.

Alderman Guess felt that the City needed to do a better job in communications with new businesses, he mentioned the U-Haul business that had located in Hickory and the refurbishment of Midland Plaza.

Alderman Lail suggested that the Business Development Committee (BDC) could possibly look at some type of recognition for new businesses or redevelopment.

Alderman Seaver referenced the presentation of the Boards and Commission's work plans and commented that a lot of businesses do fundraisers. There could be a business recognition for businesses that are helping people. He mentioned Carolina Theatre's participation in the Community Relations Council's fundraiser.

Mrs. Surratt advised that Carolina Theatre had previously been recognized by the BDC.

Alderman Guess questioned the amount of revenue brought into the City by the vehicle tag tax.

Assistant City Manager Rodney Miller advised \$170,000.

III. Communicating the Crafting Hickory Plan

Marketing Manager Dana Kaminske presented a PowerPoint presentation. She advised that the branding had been around for five years. The City had incorporated the message and logo into the community with their brand partners, and created and partnered on great local events. Our Life. Well Crafted. message has even taken new life with the "Crafting Hickory" project campaign. "Crafting Hickory" is a great umbrella to summarize projects. Staff will continue to market this message internally to our citizens and regional markets. Mrs. Kaminske displayed a slide which contained a list of the brand partnerships and events that had been held. She advised that people are talking about the "Sails Music Series", and it is getting out into the community, but our story continues to evolve.

Mrs. Kaminske discussed the next steps, Phase 2, branding Hickory and the Life. Well Crafted. message to internal and external markets. The first goal was to drive the Hickory brand message, Life. Well Crafted., as well as the overall Hickory story, (i.e. Crafting Hickory), to external larger markets, as well as continue internal updated messaging to residents. The larger markets being Charlotte, Asheville, and Winston. The strategies for this goal would be increase economic development in Hickory, showcase Hickory as a place to craft a life, and for the City to be the ultimate resource for the overall message. She discussed how we could do that. She referenced the "Crafting Hickory" magazine insert that was in the Hickory Daily record, 30,000 plus reached. She advised of other ways which could include: develop a concise Hickory story to share with everyone, be the resource; engage the Bond Commission to share the bond project messages; create a document that speaks to Hickory's quality of life/place that can be shared with our partners; create a library of short videos, 30 seconds to one minute long, highlighting Hickory's quality of life/place; and work to partner with Lenoir-Rhyne University for when they are recruiting students and parents and larger events like the Global Entrepreneur Week, the 125th 5K Race and the University City Commission's activities.

Mr. Berry recognized Bond Commission member who was in attendance Mr. Frank Young.

Mrs. Kaminske commented that we have to be the center of influence. It is great to have interaction and to share that engagement.

Mr. Berry asked City Council how they felt about the videos of Hickory. Focus on controlling the message and let everybody piggyback on it.

Alderman Guess commented that it worked well with the brand.

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Alderman Lail commented that brand awareness was super expensive.

Discussion ensued regarding marketing strategies through the web to people who have already connected with Hickory through the convention center and other places (websites)... Mrs. Kaminske continued her presentation with Goal 2 which was connect with local Hickory businesses for cross promotion and to find out their needs to recruit mid to higher level talent to Hickory. The strategies for this goal were: build strong relationships with local businesses; understand what recruiters are looking for to "Sell" Hickory; drive their important public relations messages to our citizens; and create future video and content to use to speak to other markets. Mrs. Kaminske discussed how this could be done which was meet with company talent recruiters and marketing staff; and determine the quality of life/place components these businesses need or use to target talent to this area. She used as an example partner with the recruiters like Transportation Insight's marketing department. She advised that CommScope's recruiter had been recruiting for eight years and had never been to Hickory. She commented use their message to share information. She suggested pushing information out when a business does something exceptionally well, or is recognized. She referenced Highland Avenue Restaurant being in the top 30 in Southern Living Magazine.

Mr. Berry commented that new people are our biggest cheerleaders.

Mrs. Kaminske advised send a positive message for people who want to come here because it is Hickory. Tell people about the City's services and quality of life, new people need to know.

Alderman Seaver commented that the City of Hickory is adding amenities for citizens and some cities are taking away.

Mrs. Kaminske discussed Goal 3, which was increase the young professional population and their interaction with the City, helping young professionals to share Hickory's story. The strategies for this goal were: growing a future talent base of creative and skilled young professionals working here; having them create their life in Hickory first the Life. Well Crafted. brand message; and drives an increase in home sales and sales tax by eating, shopping, and living in Hickory. She discussed how to do this: develop current partnerships with Hickory Young Professionals and Hickory Jaycees; showcase the lifestyles of young professionals via Hickory's marketing tools, (i.e. Pedals and Pubs, Lake Hickory, walking trails, Carolina Thread Trail, Sails events, music scene, arts and culture, etc.); speak with and learn from other cities similar to Hickory that have universities and young professionals, how to connect; connect with Lenoir-Rhyne University's various departments and the University City Commission to see what ways we could work together to share Hickory's story with student/parents, such as student/parent orientation.

Mr. Berry commented that one idea was to grow and expand the entertainment component at the Sails on the Square. Also the Hickory Metro Convention Center and Visitors Bureau could play a bigger role. They could bring in money and resource sponsorship for those kinds of things. He advised that Mrs. Meg Jenkins-Locke was seeking partnerships for entertainment at the mill and they are talking with the Convention Center about that. Broaden the sense of activity and the quality of place.

Alderman Seaver commented that American's want to be entertained.

Mrs. Kaminske discussed the redesigned City of Hickory website, www.HickoryNC.gov. The website was redesigned for easier citizen access and usability, a cleaner look and adaptable to mobile devices. It is more consistent with attracting millennials, the home page contains the most important items, and there is a section for updating Crafting Hickory and Bond pages. Mrs. Kaminske demonstrated the site to Council pointing out the placement of the objects on the page and the areas that were most visited.

Alderman Seaver commented that it looks great and it was more user friendly.

Mr. Berry commented that Mrs. Kaminske had big shoes to fill replacing Mandy Pitts and she had hit the ground running. She wrote 90 percent of the informational magazine that went to the Hickory Daily Record and got that all set up. The Record sold the ads, but they made them look like part of the publication.

Mrs. Kaminske advised that they were going to keep doing those kinds of things.

City Council took a break at approximately 3:00 p.m. and returned at approximately 3:20 p.m.

IV. Bond Counsel

Mr. Berry introduced Scott Leo, Bond Counsel and advised that he would discuss the \$25 million dollar Transportation Bonds and \$15 million dollar Economic Development Bonds with Council.

Mr. Scott Leo commented that the two bond questions on the ballot passed. The two questions touch on specific projects and authorize the bond market. The projects must fit into one or the other category. He had received information about the projects and they were very consistent with talking about the City Walk, Riverwalk, gateways and streetscapes. They looked very familiar from the big picture. The business park would fall into the economic development bucket. The City Walk was designated as a corridor to attract commercial businesses and jobs to the center city, or a headquarters in the central business district. The Riverwalk project would spur new retail jobs. He discussed the \$15 million dollars for economic development. Five million dollars was to be used for the business park. The \$25 million dollar bond for streets and

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sidewalks was drafted broadly for pedestrian and bike paths, and sidewalks. The gateway project would fall into the \$25 million dollar bucket. He advised that the City was on the right path and that it was exactly what they had talked about when they put it on the ballot.

Mr. Berry asked City Council if they had questions and were comfortable that the projects were consistent with the buckets.

Councilmembers discussed the few questions they've heard from the community about the different categories for the bond projects.

Alderman Lail commented that the streets and sidewalks bond did well.

Mr. Leo advised that typically streets are the highest margin.

Alderman Lail commented that the City's information was straight forward.

Mr. Leo commented that the types of projects talked about was the information that was put out.

Mr. Berry commented that what was said is still what they are going to do.

Mayor Wright commented that there are very few of these things that you can put a "T" for transportation or an "E" for economic development. You can't be that precise. They had told the truth on that.

City Council confirmed that from this discussion with Bond Counsel, they are comfortable that the projects are consistent with the two categories approved by the voters.

V. Finalizing Bond Program Schedule & Non-Bond Capital Plan

Mr. Berry discussed the program schedule for 2016 highlighting approximate design schedules for the bond projects design. Timeframe for the City Walk would be design RFQ in April, contract to City Council in July; 321 gateways would be design RFQ in May, contract to City Council in August; and Riverwalk design RFQ in July and contract to City Council in October. He discussed the program schedule for 2017-2019: Lenoir-Rhyne I-40 gateway – 2017. This would coincide with the DOT project; Lenoir-Rhyne Boulevard 2017-2018; Riverwalk/City Walk connection 2018; Riverwalk P-3, proof of concept and developer interest 2017, 2019 design, and coincide with the 321 bridge project. He advised that Freese Nichols and Staff had discussed developers going into the Riverwalk area and it may not happen until both the 321 bridge and Riverwalk are done. That might backup the P3 opportunity for a couple of years. Mr. Berry discussed the possibility of adding some low cost amenities to the area, a picnic space or a sand volleyball court.

Alderman Zagaroli felt that it would be good to see activity going on there.

Alderman Lail commented that a \$70 million dollar investment was going beside the Little Riverwalk in Rock Hill.

Mr. Berry asked if there was a consensus regarding the program schedule.

Mayor Wright advised that he was okay with it since all the other things (non-bond projects) are going to be done.

Mr. Berry showed a comical video about cowboys herding cats. He referenced the visit to Chattanooga and how they heard about "Chattanooga Way" of revitalizing their City. He commented that Staff feels like the "Hickory Way" to be very inclusive and transparent in the process, which can seem like herding cats, they want everyone to be happy and in support of these projects and were very pleased with the work of the Bond Commission to this point. Mr. Berry asked City Council what they felt about the Bond Commission and their work so far.

The consensus of City Council was they had and were doing a wonderful job.

Mr. Berry commented that the citizen's involvement was unique to Hickory, no one had ever done a 42 member Bond Commission. He advised that the Bond Commission had 26 meetings in 38 weeks. There was a lot of thought put into those meetings. The Chairs and the Vice Chairs wanted to be informed of what was being planned for the subcommittee meetings, so that was another level of engagement. When the Bond Commission was created in January 2015 they to meet four times a year. He commented that the interaction from the Bond Commission created confidence and Staff felt good about that. Mr. Berry commented that it was a labor intensive process. He asked City Council what they expected going forward.

Alderwoman Patton felt they should be part of the design portion, and should stay engaged to the end, or the opening of the project.

Alderman Lail felt that the Subcommittee's communication with the designers could be valuable.

Mr. Berry discussed the role of the Bond Commission going forward. He advised that the next full Bond Commission's meeting would be in April. They are excited and ready to go. He commented that if the Subcommittees would be involved in the selection of the designer that would be 2-4 meetings each, three projects, so between 6-12 meetings between April and October. Then one predesign meeting for each project. Then the design development phase to determine the context of what they would need to be designing, which would be at least two

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meetings for each of the projects. That would total 21 plus or minus meetings between April and December, which is pretty intensive in nine months. He asked City Council for their thoughts.

Alderman Seaver thought they were more in tune with everything.

Alderman Zagaroli commented that some of them may not hit the mark at all, the subcommittee could send options to Council for their review.

Alderwoman Patton commented that the Subcommittee talks to the people.

Alderman Seaver commented that the connectivity was easier on the Riverwalk.

Mayor Wright commented that they should have some dialogue with the community to see what they see as the ongoing goal.

Alderman Tarlton questioned if project estimates included the budget for the design work.

Mr. Berry advised that the design budget was built in.

Discussion ensued about the Bond Commission's ongoing role. There was great comradery within the commission and they want to do a good job. They are at the interesting part now. Concerns were raised about the expediency of the projects, and the possibility of too many cooks in the kitchen. Council felt that communication was a valuable tool. After the design is complete the Bond Commission's role becomes less intensive, and the professionals work will take place. Mr. Berry referenced the role specified in the Ordinance which created the Bond Commission which included talking it up in the community, building partnerships, and fundraising. There was some discussion about the fundraising aspect and concerns on not hitting the same target three times.

Mr. Berry referenced the Inspiring Spaces plan which included a lot of art and fountain water features that were not in the spine of the City Walk. There was the possibility of State money or TIGER grant funds that could be used for those amenities as well as fund raising

Alderman Zagaroli questioned who designed the amenities.

Mr. Berry advised that the design for the spine of the City Walk would be approved by Council, then they would start planning for the amenities and raising money to add to the spine. City Attorney Crone advised that once the amenities are identified you could address naming rights, donations, support, and funding for one of those amenities, perhaps in the name of a loved one.

Mrs. Surratt advised that the cost of the Inspiring Spaces concept was \$27 million dollars and 14 amenities were identified for the spine. The program recommended by the Bond Commission and endorsed by council included four of those 14 amenities, the pedestrian bridge, the parking deck, fountain, and redevelopment of Union Square.

Alderman Lail commented that there is a message that they need to get out to leverage public/private partnership money.

Mr. Berry asked what the consensus of City Council was for what the Bond Commission had already done and if they were okay with the Bond Commission's role in selecting the designer.

Discussion ensued briefly regarding the attendance of the Bond Commission members and how the process would be for selecting the "short list" of the designer. Mr. Berry advised that Staff would negotiate the contract, and City Council would award the contract. Out of the 21 Commission and subcommittee meetings City Council could plug into as much of those as they wanted to and there would not be a separate process for Council to be involved with the design

The next segment was "Chocolate with Chuck and Kevin", which discussions included the community's part and administration portion.

Mr. Hansen commented that they had crafted a great process and it was well received by the public with excitement and credibility. These projects had taken several generations of people to create an idea going forward. Mr. Hansen displayed a road sign that said "Hickory Way". Mr. Hansen used the analogy of building a vehicle. We are going to not only build a car, but also a SUV, and a truck, formulating design teams for each one of these. Time relates to dollars and expense upfront. It is best to change it on paper instead of on the ground. He discussed program management and project management. He advised program management was at the 1,000 foot level looking down and project management was the 0 to 50 foot level of details. He explained that program management was the level of suppliers to deliver at the right time for the project date to keep everything going to mesh together. He commented that time and effort, doing that correctly, the payoff is great dividends and product. The project managers would be overseeing the design teams, multiple design teams, with the projects, as well as the structural, electrical and mechanical components that are tucked in under the lead group. They would be the coordinating body to make sure it meshes between structural and electrical, using the automobile example. The project manager would address the project design schedule, budget, right of way and legal issues, utility relocations, and other pieces of conformity in design specifications. There is a lot of pieces under project management. He advised that the program management level relates to scheduling the bond sells, and moving everything through the process.

Mr. Hansen referenced the work that Freese Nichols had done. He advised that we only saw three people from there, but there was 24 people putting stuff together to make it all flow. The program manager would know about the grant cycles and where to plug in up or down. They also would have to work with the Local Government Commission's (LGC) schedule. They would make sure that everyone was well organized. He commented that program management is a specialty in and of itself. He advised that City staff did one project at a time, not three. The City's projects have staggered capital therefore they have a project every year or every couple of years. He advised that public works and engineering departments had 14 less people than they did in 1995. Some tweaked equipment made some things more efficient but they are stretched tight. There might be more money upfront to get there, but less cost overall.

Mr. Hansen commented that Freese Nichols fleshed out the details and keep continuity going forward. Once a designer is hired we need to pass on the expectations.

Alderman Lail asked if they had consultant management getting to design on the waste water treatment plant.

Mr. Greer advised that they did, Leo Davenport and staff.

Mr. Hansen commented that Freese Nichols delivered on time and the Bond Commission had confidence with Freese Nichols. Freese Nichols can handle the program management and the project management program. The next 10-12 months will be the most critical point of the program.

Alderwoman Patton asked if the City had a price with Freese Nichols.

Mr. Berry commented that roles were still being defined, who would do what, city staff vs. contract. We need to be mindful of the money and good stewards of other resources of the City to use for this.

Alderwoman Patton asked at what point that would come to City Council.

Mr. Berry advised that the Phase 2 contract with Freese Nichols was not on the March 15th agenda yet.

Alderwoman Patton asked if he had an idea of the cost.

Mr. Berry commented that it is not near what it was for the past project. They are in negotiations for a draft contract.

Mr. Berry referenced the PowerPoint and discussed items coming up in the next 60 days which included appropriation for wayfinding, and zoning overlay; appointment of conservancy, joint meeting with Catawba County on March 21st for appropriation for 1764; splash pad installation contract, and the TSW contract associated with the Lackey project. He reminded City Council of the capital projects that were coming out of the General Fund and other sources which were: Lackey project, Kiwanis splash pad, Sandy Ridge Road roundabouts, Bruce Meisner Park, City Park – Tennis Courts, Streetscapes/Zoning Overlay, Wayfinding/Gateway, and other infrastructure demands. Total Project Cost: \$18,469,412, Estimated City Cost: \$7,393,286, External Contributions: \$11,076,126. He commented that is \$4 million dollars against \$7.3 million dollars. If we are successful with the City Walk we may have partners because we need money to do that, to balance those out.

Alderman Lail commented and add in the Freese Nichols contract money.

Assistant City Manager Rodney Miller commented it is a cash flow issue versus having the money. The Sandy Ridge Road roundabouts and the Lackey project funds will not all hit in 2016.

Alderman Lail commented that if they build all of Bruce Meisner Park it won't hit in the same year.

Alderwoman Patton commented that she liked the cushion at 25 percent.

Mr. Miller advised that there was \$900,000 designated for the park. Phase 1 was \$2.3 million dollars.

Alderman Guess questioned if they could do what was designated.

Mr. Miller advised that they would have to come up with \$1.4 million dollars and that we don't have a revenue source for that.

Mr. Berry commented that would be a decision of City Council for Meisner Park. They could use the \$900,000 and plan going forward on the rest of it.

Alderman Zagaroli commented that he would like to see some progress there.

Mr. Miller advised that the parking funds could be used for the GHTA parking at the City Park.

Mayor Wright commented they could use the cushion funds for capital projects. There won't be any cushions like these balances again. He felt that the taxpayers would invest.

Alderman Guess commented that the City did not have much debt.

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Mayor Wright commented we have \$4 million dollars and are talking about using it.

Mr. Miller advised that there was two cents dedicated for capital reserve so there would be some balance from that, probably a couple hundred thousand dollars.

Mayor Wright commented that building permits were good compared to last year. There is a lot going on for the City now.

Mr. Miler advised the City Park tennis courts, streetscapes and zoning overlay consultant and wayfinding would hit this year. The splash pad had already been appropriated. Sandy Ridge Road roundabouts where not appropriated.

Mr. Berry stated there seemed to be consensus on Council for the plan presented, phasing Meisner Park and staying within the 25% fund balance goal.

Mayor Wright commented that the City of Hickory has the best staff in North Carolina and he appreciated it very much.

VI. There being no further business, the meeting adjourned at 5:20 p.m.

Mayor

City Clerk