

Minutes
Kinston City Council
Monday, February 20, 2017
Work Session at 5:30 pm · Regular Meeting at 7:00 pm

Mayor Murphy called the Kinston City Council meeting to order at 5:33 pm.

Those present: Councilmembers Sammy Aiken, Felicia Solomon, Joseph Tyson, Mayor Pro Tem Robert Swinson and Mayor BJ Murphy

Also present: Tony Sears, City Manager and James Cauley, City Attorney

Those absent: Wynn Whittington (arrived for the 7:00 regular meeting)

ADOPTION OF THE AGENDA

Tony Sears, City Manager, stated two closed sessions need to be added to the agenda.

Mayor Pro Tem Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous vote the agenda was adopted with the additions.

ITEMS FOR DISCUSSION

1. Retail Strategies Update.....Adam Short

Adam Short, Planning Director, welcomed and introduced Wesley Vaughn and Jordan Williams of Retail Strategies.

Wesley Vaughn, Portfolio Director, stated the city has committed to retail recruitment which is a major part of economic development. We started as partners with Kinston in December 2014 for a period of three years with a total investment from the city of \$38,000 while partnered with ElectriCities. We try to do four things, create jobs through the service industry, improve quality of life, attract desired businesses and increase sales tax revenue. We are the retail real estate experts and we try to recruit and get leads. We rely on the city to share information about available sites, retailers that the city may be interested in and we provide reports. We run a lot of market, demographic and sales reports. We try to look at all of the retail real estate, both occupied and vacant. We catalog them to see what fits where in the market. We prioritize properties for the short and long term then we create a marketing guide for the city that we share with retailers. We presented a recruitment plan to the city which was done in early 2015. We share the guide with demographic information to get potential retailers over the initial hump so they can decide if they should come to Kinston. The brochure is updated annually, specifically before the ICSC conference in Las Vegas. We are a matchmaker and a resource for property owners, their brokers, representatives, retailers, franchisees or regional businesses that may want

a second or third location. The real estate process takes one to two years which is ideal. The first challenge is if the demographics work for the retailer. They consider if they have to upgrade the store, if there is a local operator interested, who is the competition, is there too much competition, and how surrounding retailers are doing. They have to decide if they want vacant land, an existing store, build new, a stand alone, to be in a shopping center, and the amount of the rent, etc. There is a lot of negotiation and a legal process after the site has been obtained. There are other approval processes up the corporate real estate chain. There is the permitting process, public announcement and construction can take three to eighteen months. Game Stops has already opened in Kinston and they will return about \$6,500 in sales tax revenue with ten jobs. There are five other retailers who are interested in the market. Sometimes retailers look at four or five things about the community, and they don't need additional information about the market. We have created a web platform for some clients at an additional cost to speed up the research process for retailers and existing businesses. We use a lot of data subscriptions which cost thousands of dollars, to learn as much about retail as possible and we can share all the data with cities for free. With mobile tracking, we can track stores to determine trade areas.

Mr. Williams stated that towns have requested that the polygon be drawn around their town square to encourage downtown redevelopment to existing structures.

Mr. Vaughn continued stating Retail Strategies create newsletter each month and have webinars. Retailers look in the areas of Walmart and downtown, the available land, traffic counts, etc. Our targeted areas in Kinston are the Walmart area, the New Bern Road area near Lenoir Community College, and the area around Grainger Stadium (as an entertainment district), Vernon Park Mall area has a lot of empty space, and the Kinston Plaza Shopping Center is the fifth area. The Shirt Factory and CSX site is another area for long term planning for grocery stores and pharmacies, but the site is challenging because it is in the center of a neighborhood and that is generally not where retailers want to be. Another area is the former K-Mart space. The city can help by knowing what retailers you can recruit, share information with Retail Strategies like which businesses are in the area and doing well, respond to competitive feedback, including the permitting process, incentives and road access. Identify local entrepreneurs and know the role players.

Councilmember Tyson confirmed this was a three year contract and asked what happens after the three years. Mr. Vaughn stated he believes this contract is set up for the city to have the option to renew year to year at \$9,000 with Electricities paying \$9,000.

Councilmember Solomon confirmed that since 2014 Retail Strategies has assisted with bringing Game Stop to Kinston and asked what qualifies as partnership successes. Mr. Vaughn showed a map and stated several businesses have expressed interest in the market and he thinks within the next year, they will be working on being in the market or already in the market.

Councilmember Solomon asked since 2014 if there have been businesses that have had interest in Kinston but did not locate to Kinston. Mr. Vaughn stated there have been a lot but that is wherever they have work regardless of the size of the city. He believes that CVS said no because there are too many Walgreens. Sometimes they say no because they are not currently expanding, and some want to stay in the major metropolitan areas first. Mr. Williams added in an area like Kinston you have to market franchisees first and convince them that Kinston will work for them.

Mr. Vaughn stated many retailers want 60,000 within X number of miles radius. A lot comes down to numbers in the first step. We haven't had a lot to get down to number 3 or 4 then back out which is a good sign. Mr. Williams stated they have pitched to Five Guys several times, but they keep saying they want 60,000 people in a five mile radius.

Mayor Pro Tem Swinson thanked them for their presentation. We have constantly been beat up for supporting Retail Strategies. People have asked why we don't have a Ross or TJ Maxx. Our demographics, traffic counts, population, median income are all considered before companies will invest into a community. We have had potential with a site but all the pieces didn't work out. Retail Strategies have been very instrumental in helping us do some things, but it is hard to explain to residents that it is an ongoing process. We could not have anyone on staff for \$9,000 a year to be out cheering for Kinston, so it is a win-win. We don't have economic development within the city branch of government.

Mr. Vaughn stated major retailers will provide a sheet with strict minimum requirements. They have had markets where even McDonalds said no. Companies like Ross want the situation almost perfect. They want to be next to a Publix or the newest of new shopping centers. They want 100,000 population, \$60,000 median income in both the city and the drive time, they don't care about census boundaries. They want to know how many people are in the market during the day and at night within a certain drive time.

Councilmember Tyson asked what the City Council can do. We will have to think hard about what City Council can do to improve the locations or make the sites appealing to the outside market.

Mr. Williams stated Kinston is already making some of the necessary steps and things are going in the right direction if the momentum continues.

Mr. Vaughn stated the perception of Kinston is one thing we run into with retailers. We try to overcome it with stories of local businesses and the downtown area. Recently, someone was worried about the labor force in the market. We try to get as many stories from other local operators. Antidotes don't work in the first step, but once retailers become interested in the market, it all makes sense.

Mayor Pro Tem Swinson noted he did not see West Pharmaceuticals, North State Aviation or Spirit AeroSystems on the list of major employers.

Councilmember Aiken mentioned that Cookout and Mayflower did not come to Kinston.

Mr. Williams stated Cookout has a very different business model in that it is still run like to a family business. When we call, we speak to the owner on his home phone. At one point, they had seventy undeveloped locations and they check them off as they open. We don't know how they prioritize. We will look into Mayflower.

Dan Sales, Sales Auto Mall, stated that as far as Mayflower, the father had planned to expand around 2008, but he died. The family still owns the lot and will probably sell the property once the Marriott hotel is built and opens.

Mayor Murphy asked about the demographic changes on the brochures in the number of households going from 12,266 to 11,123. Mr. Vaughn stated he will look into it. We use the American Community Survey, and their one year survey has a large margin of error.

Mayor Murphy asked about the comment made about the national chain having a perception of Kinston. Mr. Williams stated recently they heard from a franchisee of a fast food chain. He spent four or five days here and spoke to local operators and found there was a problem with employee turnover and finding good help. He has found a way to offset it with an increase in hourly wages. We have heard that from others, but he is the one who brought our attention to it.

Mayor Murphy stated there is something to be said for money and training. That was his business model, not necessarily something specific to Kinston. If Retail Strategies isn't marketing for us, then who is, and the answer is nobody. On the surface, he is a big fan of the concept, but there is a disconnect in that you are dealing with numbers, and we are dealing with emotions. We don't know the national market or the players, but if there is something that the City Council can do, we want to be involved to the extent that it does not hurt the deal, whether it is a phone call, text or a meal. Our door is open and we want a chance to help any way we can so we can all succeed.

Mr. Vaughn stated we provide quarterly reports. We can start adding a list of items that the city can specifically do.

Councilmember Solomon asked if in the future when there are questions if contact can be made with the City Manager or Mayor. No one can sell our city better than we can.

Mr. Vaughn stated we will make it a point to offer that each time. Retailers can be iffy even about giving their names out because land prices will be raised.

Mr. Williams stated we have been hesitant because we had a situation when it was reported in a press release in advance and the retailer pulled out of the market.

Mr. Vaughn stated developers will develop for certain retailer and they would be easier to line up and would probably appreciate it.

Mayor Pro Tem Swinson asked if companies give heads up when the investors plan to visit. Mr. Vaughn stated that most of the time they will share they will be in the area and ask for a list of the sites. They may call them months later to say they have been in the area and are under contract, or that they need more sites. Some ask for contacts, but most don't.

Councilmember Tyson asked in the marketing strategies if Lenoir Community College is included for workforce development/capability as part of the presentation. Mr. Vaughn stated LCC is included in the count for day time population.

Mayor Murphy asked about the five mile radius from Walmart instead of from downtown. Are there any scenarios that would drastically increase those numbers? Mr. Williams stated we are willing to stack the deck in the city's favor. Mr. Vaughn stated when we run numbers we run them from a specific sight.

Jennings Gray, ElectriCities of North Carolina, stated Retail Strategies is doing a great job and making progress. More developers and retailers, tenant representatives, leasing representatives have heard the name of Kinston than they did two years ago. There will be residual effects of conversations that may pay off two or three years down the road. There is not a lot of control, but there are retailers that fit, there are some who are expanding and some that are not. It changes almost week to week for some retailers. He is very encouraged by what he has seen on the local level and it will only get better.

2. Landmark Status.....Marcia Perritt

Marcia Perritt, UNC Planner, stated staff and the local Historic District Commission (HDC) have been exploring a policy called Landmark Status. It is a local designation that is conferred by the City Council in partnership with the Historic Preservation Commission (HPC). It implies that a property has significant historic value. It could be a building, structure, site, area or object. The benefit to owners is they would receive a 50% property taxes deferment. It is used by many cities to promote preservation and redevelopment. There is a lengthy process for the owner and it must meet certain criteria and a series of reviews and public hearings. It could meet one of five or two of five of the set criteria. Kinston HDC has looked at other communities with similar programs and they have recommendations for the criteria. There would be an extensive process to limit applications and for the greatest chance of success at the State level.

Tony Sears, City Manager, stated some of the other communities don't have the history that Kinston has. All of the properties that we are considering will at least meet 2 of the 5 criteria. It is also not just can the criteria be met, but also if the city is going to put up the landmark and offer deferment of taxes. We also have to make sure the person can do what they say they are going to do.

Ms. Perritt stated that she has noticed that the policies in other communities have become more restrictive due to the number of applications. The HDC has also recommended limiting the landmark status to properties in a specific geographic area, such as the downtown municipal service district (MSD). That will also give staff time to pilot test the program. Another recommendation is to have a shorter pre-application process to help owners understand and to see it is worth going through the entire process. The potential next step will be working through the criteria with City Council feedback and then adopt a local ordinance which would involve a public hearing.

Mayor Murphy stated this City Council supports anything that will spur redevelopment and development. What will be the financial advantage for participation? Ms. Perritt stated it will lower the overall operating cost as a developer, and the deferment of the property tax rate really helps. It is a form of a private-public partnership to make the project more feasible. A developer who pursues landmark status is likely to pursue other tools like historic preservation tax credits and this is one product that could make their project more attractive.

Mayor Murphy asked the real difference in this program and tax increment financing (TIP). Ms. Perritt stated TIP would be a district wide approach that is betting on the growth of future property tax revenues to finance infrastructure, streetscaping and improvements in the district. TIP is more district wide and this is for an individual redevelopment project, but the two could be used in conjunction. In terms of the deferment, there is protection for the city in that if an owner doesn't maintain the historic character of the exterior of the structure, the owner has to pay back the deferred property taxes, unless there is a fire or act of nature.

Adam Short, Planning Director, stated the increased tax revenue from these investments, even if you are deferring half the cost, is still a significant increase in the municipal tax.

Ms. Perritt stated we will request a date to set a public hearing which would then result into an ordinance to adopt a landmark status program which would require modifications to the UDO.

3. Condemnation and Demolition Update.....Greg Dempsey and Jason Baker

Jason Baker, Code Enforcement Officer, stated we have received questions about dilapidated properties. The policies and process for demolishing properties is long and time consuming. We have to inspect the property for structural defects, post the property with signs, and send the

owner notification that the property has been condemned. We have to give the owner reasonable time to make repairs or demolish the structure which we consider 30-60 days, depending on the size of the structure. We send hearing notifications to the owner seven to ten days in advance of the hearing. We conduct the hearing, issue any orders to repair or demolish the structure. All of the orders have to be a minimum of 60 days, and some are given more time if it is a larger project. If nothing has been done by the owner after 60 days, we send out bids to demolish the structure which generally takes approximately two weeks. After the bid has been awarded to a contractor, we send a request for utilities disconnect which takes 7 to 30 days. Once we receive notification that all of the utilities have been disconnected, the contractor obtains he permits and we give the contractor 30 days to demolish the structure. It takes roughly 200 days to have a structure demolished. In the last five years, we have demolished approximately 45 properties and 16 of them were demolished by the owner. We currently have five properties that have been through the bid process awaiting utilities disconnects. We have three that have been given orders to demolish and six that have hearing scheduled for next week. We receive roughly \$50,000 in the budget for demolition, and we understand it is a very big problem for the city.

Mr. Sears asked if the map includes the \$100,000 spent for the Martin Luther King Boulevard corridor. Adam Short, Planning Director, stated the map includes those structures.

Mr. Sears stated there are undoubtedly a lot of structures that need to be demolished. We have to get through the legal process and it takes time. It is also a manpower and financial issue. Staff would be happy to do more, but we have to have the resources to do it.

Mayor Murphy asked how much money would be needed to maintain a healthy cycle of demolition. Mr. Baker stated the budget isn't the only problem, it is also manpower. We are doing all we can do. There are only two individuals and we have written over \$170,000 worth of permits in the past year. Each of those permits has one to fifty inspections that have to be done and that takes up the majority of our time. The demolition process is so time consuming with all the documentation and notification that has to be done.

Mr. Sears stated we have to keep in mind that our Building and Inspections department is not just a demolition department. To increase the number of demolitions, then the number of building inspectors will have to be increased which will be approximately \$50,000, and you are still looking at a 6 month process. Mr. Baker added if the owner goes through the appeal process, it could add more time.

Mr. Sears stated in a couple of months there will be a budget that includes a tax increase, even at revenue neutral there will be a tax increase. If City Council wants more demolition and other projects, the decisions are going to be the hard part. You cannot do more unless you are willing to have more revenue through property taxes, inter-governmental and sales taxes. The City has not had a property tax increase in nine years. We are not doing some of the things that we

probably should be doing, but if City Council wants more done we have to either increase revenues or decrease expenses.

Councilmember Tyson stated for him it is all about priorities. Demolition is five or six in priorities. We have to defend the priorities that City Council has told residents that we are supporting with the few dollars that we do have.

Mayor Murphy thanked Mr. Baker and Mr. Dempsey for the presentation and what they do for the city. He stated that he receives a lot of comments on how they handle the department.

Mayor Murphy stated due to the time, each item on the Consent agenda will be moved to the Action agenda and addressed individually and called for a recess at 6:55 pm.

REGULAR MEETING

Mayor BJ Murphy reconvened the regular City Council meeting at 7:09 pm.

Councilmember Whittington was present.

Councilmember Joseph Tyson led the prayer and Kinston Teens led the Pledge of Allegiance.

CITIZEN COMMENT

PRESENTATIONS AND RECOGNITIONS

1. Kinston Teens Adopt-A-Vacant Lot Program.....Chris Suggs, Kinston Teens

Chris Suggs, Kinston Teens, stated the Adopt-A-Vacant lot program is an initiative that was developed by Kinston Teens and the Kinston Planning Department last year. We received a \$50,000 grant from the US Conference of Mayors and Wells Fargo. The Adopt-A-Vacant Lot program is a Kinston beautification initiative to make use of vacant and blighted property owned by the City of Kinston. This program will allow and encourage churches, families, business and other organizations to adopt the lots and transform them into community amenities. He encouraged anyone interested to go to www.kinstonteens.org/avl to select a lot and complete an application. Once it has been approved, the license is issued and they can begin working on the lot. Groups are encouraged to contact organizations to organize a groundbreaking ceremony for their projects. Electric and water will have to be purchased by the leasee. Project reviews will be conducted twice a year to ensure compliance. Leasees will be eligible to apply for a grant up to \$750. After 2 years, Kinston Teens will review and make a recommendation if the lease will be renewed, graduated from the program or revoked. Once the lot is graduated, the City of Kinston may choose to release the lot to the adopting organization for free if it is a not for profit purpose. The map of the available lots is on the website.

Councilmember Whittington confirmed the signage will go up once the lot has been adopted.

Mayor Murphy asked what happens once the \$50,000 runs out. Mr. Suggs stated \$50,000 is a great amount to start and the Board of Directors is looking for sustainability for Kinston Teens and their programs over the next few years.

Adam Short, Planning Director, introduced Javad Suggs as the new hire for the Planning Department.

ACTION AGENDA

1. Consider adoption of a Resolution designating Police Chief Alonzo Jaynes or his designee to submit recommendations to the ABC Commission.....Alonzo Jaynes

Alonzo Jaynes, Police Chief, stated this is a resolution to make him the designated official to approve ABC permit requests. Currently, Assistant Chief Thompson is the designee.

Mayor Pro Tem Swinson introduced the following Resolution:

03-2017

**RESOLUTION
DESIGNATING AN OFFICIAL TO MAKE RECOMMENDATIONS
TO THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION
ON ABC PERMIT APPLICATIONS**

Whereas, NCGS 18B-904(f) authorizes a governing body to designate an official, by name or by position to make recommendations concerning the suitability of persons or locations for ABC permits: and

Whereas, the City of Kinston, County of Lenoir, wishes to notify the North Carolina ABC Commission of its designation as required by NCGS 18B-904(f).

BE IT THEREFORE RESOLVED that **Alonzo Jaynes, Police Chief** of the Kinston Police Department, or his designee is hereby designated to notify the North Carolina Alcoholic Beverage Control Commission of the recommendations of the City of Kinston, County of Lenoir, regarding the suitability of persons and locations for ABC permits within its jurisdiction.

BE IT FURTHER RESOLVED that notices of the City of Kinston, County of Lenoir, should be mailed or delivered to the official designated above at the following address:

Mailing Address: PO Box 339
Office Location: 205 East King Street
City: Kinston, NC 28502
Phone: 252.939.3139

Councilmember Whittington made the motion, seconded by Councilmember Tyson and upon a unanimous vote the Resolution was adopted.

2. Kinston Community Relations Team.....Alonzo Jaynes

Alonzo Jaynes, Police Chief, stated that enhancing community relations is one of the priorities for the Police Department. For the past several months he has been meeting with community members, and we found value in creating an avenue for citizens to report any type of concerns, ask questions and to interact on a positive level in a non-law enforcement capacity. Since December we have been meeting with citizens who represent different pockets of Kinston, including faith leaders, civic organization members and youth, and we formed the Kinston Community Relations Team. We plan to have a press conference Thursday to share the mission of the organization. They will be a liaison between the police department and the community.

Councilmember Aiken stated he would like to know about cold cases and how we relate to victims families. Chief Jaynes stated the department has recently had a discussion about the

open murder cases, and Captain Dilday has offered some great ideas. I would like to have a case review every other week and look for anything that we can follow up on. Family members of the victims experience a traumatic time, so we have reached out to therapists to have counseling sessions with the families. Staffing issues and pending cases for this year makes it difficult to give all of our attention to the cold cases. We have around seven open cases and we will do our due diligence.

Mayor Murphy stated speaking from a family who had a cold case, the break in the case was the expansion of the funds for the SBI crime lab. Should we at a local level be doing more to pressure our legislators to figure out complexities in the funding of the SBI crime lab on issues like cold cases.

Chief Jaynes stated we need to really look at the cases to see if there is anything we need to look at from a physical evidence perspective and see what we have. We should remind citizens about these cases on social media and have Crimestoppers involved. We have a lot of ideas to explore before we put pressure on the State.

Mayor Murphy stated a few years ago we were having discussions about having a regional crime lab unit.

James Cauley, City Attorney, stated it did not make it on the legislative priorities list. Let's allow the Chief to check the status of the backlog, then see if it is something that could be improved with additional funding.

Councilmember Solomon stated the Kinston Community Relations Team is a good idea and a good thing to establish relationships. We are grateful for the relationships because it matters. Thanks for not standing on the perimeter. She thanked all the officers who have been in the schools.

Councilmember Whittington asked if the department has any interaction with the Center for Advanced Forensics DNA Analysis in Greenville.

Major Jenee Spencer stated we have researched it and we are aware of the costs, so if we needed to reach out to them, we have all of the information. We continue to go to the SBI unless we have something that is pressing.

2. Consider adoption of a Resolution ordering advertisement of property tax liens
.....Catherine Gwynn

Catherine Gwynn, Finance Director, stated every year in February we bring the list of unpaid real property taxes that the Lenoir County Tax Administrator presents. We have about a \$10 million in total real property tax and as of today we have \$712,000 that has not been collected. We are asking approval of this resolution so that it can be advertised on Wednesday, March 29th. On February 22nd the advertisement letters will be mailed to the property owners who have not paid as of that date. March 22nd will be the last day to pay the 2016 taxes and on March 29th, the liens will be advertised in the Kinston Free Press.

Mayor Pro Tem Swinson introduced the following Resolution:

04-2017

**RESOLUTION BY THE CITY COUNCIL OF THE
CITY OF KINSTON TO PROVIDE FOR THE ADVERTISEMENT
OF TAX LIENS ON REAL PROPERTY FOR FAILURE TO PAY TAXES**

The Tax Collector of the City of Kinston having reported to the governing body the total amount of unpaid taxes for the current fiscal year that are liens on real property, in accordance with subsection (a) Section 105-369 of the General Statutes;

NOW THEREFORE, be it and it is hereby resolved by the City Council of the City of Kinston:

Section 1. That the Lenoir County Tax Collector be and is hereby authorized, empowered and directed to make the advertisement of the tax lien on said real property of the said taxpayers, such advertisement to be held at one of the times prescribed in subsection (c) of Section 105-369 of the General Statutes.

Section 2. Advertisement of tax liens will be published at least one time in the Kinston Daily Free Press. Such advertisement shall comply with the provisions of subsection (c) of Section 105-369 of the General Statutes.

Councilmember Solomon made the motion, seconded by Councilmember Whittington and upon a unanimous roll call vote the Resolution was adopted.

Tony Sears, City Manager, stated the audit will be presented next month. Mrs. Gwynn added the City Council will receive the bound books as soon as they are released from the Local Government Commission (LGC).

3. Consider execution of the Amended and Restated Renewable Energy Development and Service agreement with the North Carolina Eastern Municipal Power Agency (NCEMPA)Rhonda Barwick

Rhonda Barwick, Public Services Director, stated in 2007 Senate Bill 3 set up the renewal energy portfolio standards which meant a certain percentage of power provided has to be from renewable energy. Prior to the sale of the asset we had an agreement that Electricities would take care of the compliance on our behalf. That agreement has expired and now they are asking that we renew it.

Councilmember Tyson made the motion, seconded by Councilmember Solomon and upon a unanimous vote the agreement was approved.

4. Consider the award of a bid to Herring-Rivenbark in the amount of \$290,060 for the installation of sewer by-pass taps at four lift stationsRhonda Barwick

Rhonda Barwick, Public Services Director, stated we budgeted \$400,000 in the Water Fund to purchase four bypass taps which allows us to revert the flow in emergency situations from the lift station, around the lift station to avoid spills but the flow still goes through the treatment process.

They will be installed at Forrest Street, Briery Run, Pollock Street and Barrus lift stations. The low bidder was Herring Rivenbark for \$290,060.

Councilmember Whittington made the motion, seconded by Mayor Pro Tem Swinson and upon a unanimous vote the bid award was approved.

5. Consider approval of the minutes for the Kinston City Council meeting held on Monday, February 6, 2017.....Monique Hicks

Councilmember Aiken made the motion, seconded by Councilmember Tyson and upon a unanimous vote the minutes were approved.

6. Offer to Purchase Vacant Lot at 1010 East Gordon Street.....Tony Sears
(This item was as added to the agenda)

Mr. Sears stated we received an offer to purchase a .14 acres vacant lot at 1010 East Gordon Street for a purchase price of \$500. The offer is from an adjacent property owner.

Councilmember Tyson made a motion to accept the \$500 to begin the upset bid process, seconded by Councilmember Whittington and upon a unanimous vote the offer was accepted.

APPOINTMENTS

1. Consider the appointment of a City Councilmember to serve on the Lenoir County Economic Development Commission.....Tony Sears

Tony Sears, City Manager, stated it has been requested that City Council appoint a Councilmember to fill Mayor Murphy’s seat on the Economic Development Commission.

Councilmember Tyson asked how often the Commission meets. Mr. Sears stated they meet four to six times a year.

The City Council unanimous selected Councilmember Tyson to serve on the Lenoir County Economic Development Commission.

INFORMATION AND UPDATES

1. Annual Temporary Change in Water Disinfectant.....Rhonda Barwick

Rhonda Barwick, Public Services Director, stated in 2009 we switched from chlorine disinfectant to chloramines in conjunction with all the members of the Neuse Regional Water and Sewer Authority (NRWASA), and each year since then we have done a burnout which is switching

from chloramines to chlorine to get rid of the by-product from the chloramines. This is recommended by the State's drinking water guidelines. It will be done on March 13th for four weeks. Info has been included in customers' utility bills. We have also hand delivered letters to industrial customers and dialysis centers. Staff will be willing to help anyone with questions.

Mayor Murphy asked how often we flush lines. Mrs. Barwick stated some have automatic flushers, but we do full flushing annually.

Councilmember Tyson asked about the fluoride in the water. Steve Miller, Assistant Public Services Director, stated the amount of fluoride we are supposed to add to water is very small. We found that with Kinston using well water, we had background levels of .3 to .5 and it was difficult to control so we stopped adding the fluoride.

Mrs. Barwick announced that the Neuse Regional Water and Sewer Authority (NRWASA) won the best tasting water in the state competition for the third year in a row under the American Water Works Association.

CITY MANAGER'S REPORT

1. ElectriCities Update.....Tony Sears

Tony Sears, City Manager, stated there will be a wholesale rate decrease of 4.5% from ElectriCities. We have to figure out what that means for Kinston. With the 32 members each reduction is going to be different.

Rhonda Barwick, Public Services Director, stated that projections two years ago were that we would have an increase. Now, we are looking at a 4.5% decrease in April. It will depend on our share of the debt and how much power we have purchased.

Mayor Murphy clarified that wholesale does not necessarily mean we are passing on the full 4.5% to customers.

Mr. Sears stated the reduction will be included in the budget and the results will go into effect July 1, 2017. We do anticipate a rate reduction for the citizens of Kinston.

Councilmember Tyson asked if billing issues we had several months ago have been corrected. Mrs. Barwick stated we have worked with many customers to get them back on track and we will continue to work with customers, and once we set an agreement with a customers, we need them to stick to the agreement.

2. City Council Retreat.....Tony Sears

Tony Sears, City Manager, stated as staff has begun the budget process, they have questions. Scheduling the retreat sooner versus later will help staff as they prepare their budgets.

The City Council set the retreat for Sunday, March 26, 2017 at 2:00 pm.

CITY ATTORNEY’S REPORT

James Cauley, City Attorney, stated it is the time of year for consideration of legislative issues. The General Assembly convened about a month ago, and there are some significant dates to keep in mind. The deadline for Local Bill drafting in the House is March 15th and March 7th in the Senate. The deadline for Introductions is March 29th in the House and March 15th in the Senate. The crossover deadline is April 27th. Typically the City Council considers local priorities. There is one bill that proposes to move all municipal elections to even-numbered years and another one proposes to make all local elections partisan. Some of your requests in the pass have been made successful. The Resolution carries over the Global TransPark (GTP) request and the Community Development request, and it includes several highway improvements. Some items that could be added at another time are funding for the State Bureau of Investigations (SBI) Crime Lab, the 200 day housing demolition process and local exception to allow the disposal of property without the cumbersome process. This is time sensitive considering the dates for local bills.

Mr. Sears stated he would like to look at adding the item for vacant lot.

Councilmember Aiken suggested including an item for a possible study by the Army Corps of Engineers of the Neuse River due to the two major floods we have had in the past twenty years.

Councilmember Tyson made the motion that the Resolution be approved and we continue to investigate the other issues, seconded by Mayor Pro Tem Swinson and upon a unanimous vote the following Resolution was adopted:

05-2017

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KINSTON
ESTABLISHING 2017 LEGISLATIVE PRIORITIES**

WHEREAS, the 2017-2018 Session of the N.C. General Assembly will address and deliberate numerous legislative issues and policies, some of which are of direct and significant interest to the City of Kinston; and

WHEREAS, the City Council of the City of Kinston deems the specific legislative priorities identified herein to be in the best interests of and necessary to further the general health and welfare of the citizens of the City of Kinston; and

WHEREAS, the City Council supports the following local legislative priorities regarding the City of Kinston:

- I. SEEK LEGISLATION THAT WILL PROVIDE OVERDUE HIGHWAY IMPROVEMENTS IN AND AROUND THE CITY OF KINSTON.** The City requests that its legislative delegation support and encourage NCDOT to fund and complete construction of improvements and upgrades to Hwy 70 between

Kinston and La Grange and to Hwy 11 from Harvey Pkwy Part C to the Hwy 264 Bypass near Ayden in order to complete the Quad East Loop. In addition, acceleration of construction of improvements is needed for the Carey Rd Extension to connect with Hwy 258.

- II. SEEK LEGISLATION THAT WOULD STIMULATE PROGRESS AT THE GLOBAL TRANSPARK.** The potential strength of the GTP to drive economic development in Kinston is undeniable, particularly if the GTP is in true partnership with the City of Kinston. However, in order to reach this potential, the GTP needs to be visioned, operated and marketed as an economic development project rather than as a transportation project. The General Assembly should consider alternatives to the current structure that will more deliberately and successfully advance the development of the GTP. Such alternatives include, but are not limited to, developing a closer partnership with the City or placing the GTP under the supervision of an entity charged and purposed specifically with economic development.
- III. SEEK LEGISLATION THAT WOULD PROVIDE FUNDING SOURCES TO ADDRESS DILAPIDATED HOUSING STOCK.** Dilapidated and deteriorated housing constitutes a blight on the City and affects the health and welfare of its citizens. The limited availability of funding to address dilapidated and deteriorated housing for communities the size of Kinston is disproportionate to the funding available to larger cities without regard to the needs of the cities. The City of Kinston seeks legislation to address the lack of funding for cities the size of Kinston and other so-called "non-entitlement" communities for housing development programs and demolitions so that all communities are able to access such funds based on demonstrated need rather than solely on population.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Kinston that it does hereby request its local legislative delegation to support the priorities set forth above regarding legislation affecting the City of Kinston; and

BE IT FURTHER RESOLVED that the City Manager and City Attorney are hereby authorized and directed to convey this Resolution to the members of the local legislative delegation and provide them with such assistance as may be necessary in order to accomplish the goals contained herein.

Mayor Murphy stated that he spoke to Senator Davis about the Global Transpark a few days ago and Senator Davis plans to have a conversation with Senator Pate.

CITY COUNCIL REPORT

Councilmember Whittington asked for a FEMA update.

Gloria Blake, Human Resources Director and Member of the Unmet Needs Committee that was established by Lenoir County Emergency Management, stated the Unmet Needs Committee is funded through the United Way. There are approximately 50 residents still in hotels. There are avenues for people who have not had any assistance from FEMA, but it is not long term.

Adam Short, Planning Director, stated Lenoir County is handling the buyout program on behalf of the City and County. The grant request for buyout or elevation has to be submitted to the State at the end of March. Anyone who needs information on participation in the program should contact him for a pre application or a full application. The hazard mitigation program is focused on funding both elevation and buyout.

Mr. Sears stated he received an email from Kathy Gray with the Lenoir County Emergency Services, stating that the first of three North Carolina Hurricane Matthew Resilient

Redevelopment Planning meetings will be held February 28th at the Woodmen Community Center at 6:00 pm.

Mr. Short stated the Legislator directed UNC to do a resiliency study on how we can be better prepared for recovery in the event of future floods. It would be a good time to bring up the topic of water management between Raleigh and Kinston.

CLOSED SESSION

Mayor Pro Tem Swinson made the motion, seconded by Councilmember Whittington and upon a unanimous vote the City Council entered into closed session pursuant to North Carolina General Statute 143-318.11(a)(2) and (4); Consultation with Attorney and Economic Development at 8:31 pm.

Mayor Pro Tem Swinson made the motion, seconded by Councilmember Solomon and upon a unanimous vote City Council returned to open session at 8:51 pm.

ADJOURNMENT

Councilmember Aiken made the motion seconded by Councilmember Tyson and upon a unanimous vote the City Council meeting adjourned at 8:51 pm.

Respectfully submitted,

Monique Hicks
City Clerk