

Council Present: Mayor Hendrix presiding, Pearson, Allison, Pressly, Pfeufer, Nicholson, Jones, Lawton, Robertson

Council Absent: None

Staff Present: Ron Smith, E. Kurfees, Griggs, G. Kurfees, Nesbit, Martin, Lawrence, Hills, Harrell

I. Welcome

Smith welcomed the Council to the Hickory Airport and reviewed the day's agenda.

II. Discussion with Hickory Officials

Warren Woods, City Manager of Hickory, provided an overview of the Airport. He stated that the foundation for the bond initiative was to bring in younger, working individuals. They focused on Gateways, downtown renovation, multi-modal trail system, streetscapes, and park upgrades. It took Hickory four times to be awarded the BUILD Grant to build the multimodal trails. The bond referendum included the inspiring spaces plan and a business park. The bond passed with 66% of the vote. As long as there is no large opposition, Hickory found that most bonds pass. The multi-modal trail system was a consistent theme with other cities and playing of water features that brought new life to their city.

Council Member Jones asked about the property tax rate increase due to the bond referendum. The rate increased by 6 cents. They told citizens that their rate would go up between 6 and 10 cents. The rate is still increased due to still paying off the bond. Since the bond program, Hickory has more than doubled the tax base. The annual growth has more than doubled.

Council Member Pressly would like to see something similar to the Hickory By Choice for policy goals in the strategic plan with specific policy goals.

III. Overview

Smith provided an overview of the retreat. He stated that we are building the budget and it is the largest policy document that the Council deals with each year. The priorities the council gives the staff provides the data to fill in the numbers. Smith identified \$58,000,000 in projects.

IV. Discussion with DELCO Partners

Smith reviewed the current DELCO project at the Police Department. He stated that he would like Roger to discuss what Statesville could do to bring additional projects.

Young stated that the streetscape attracted the organization to Statesville. There are 18 restaurants within 3 miles of the apartment location. He stated that the same unit, materials, designer will be in Southend that the units in Statesville will be. What drew DELCO to Hickory is the City Walk. There has been major development right along the City Walk.

Council Member Robertson asked how our city code makes it easier or more difficult. Young stated that there are no large issues in the code. He stated that he cannot use vinyl windows because there is a historic value related to a new build only because it is in the downtown area. He stated that the DRC causes delays in the project timeline.

Council Member Allison stated that we need to work with developers to make it easier for them to build. Young explained that to figure out if the developer wants to be a partner and not just a win for them.

V. Financial Forecast, Memo #2, Lawrence

Lawrence provided an overview of the financial forecast.

Smith discussed the Capital budget requests. He stated that the prioritization of the requests would take place the next day.

VI. Strategic Plan Review, Memo #4, Hills, Lawrence

Hills reviewed the current Strategic Plan and the future ideas. We are looking to be more proactive and move the city forward.

Council Member Pressly asked about merit bonuses. Council Member Robertson asked about turnover rates. Both questions would be discussed tomorrow.

Hills stated that the city's vision for growth needs to be led by our plans such as the UDC and other policies. Council Member Jones stated that that we need to define the needs of the community that could lead to a bond or tax increase. He stated that the citizen engagement would help with that.

Smith stated that it does not have to be a bond referendum. He said that what does Statesville need/what. What is the vision for Statesville.

Mayor Hendrix stated that we need to give the people an opportunity to come and provide input. It is the council's responsibility to get citizens there.

Council Member Pressly would like to see economic development as a goal with measurables. If we have additional economic development we can change the demographics of the city to see more transportation and retail.

Council Member Jones would like to review the plan and other strategic documents, including the land use plans, annually during the budget.

Smith stated that we could have a day to review the Strategic Plan and provide the survey comments.

Council member Jones said that CRPTO was hit with public concern about the 77 S plan. We need to ensure that we get real comments from the public.

VII. Proposed Amended Fee and Revenues, Lawrence, Leis, Harrell, Vaughan

1. Electric Fees, Memo #5, Leis

Leis stated that we are looking at keeping our fees revenue neutral. Leis stated that we have lost over \$750,000 from 3 commercial customers closing. SPP is working hard to change the 4kv to 23kv conversion. We are working underground in the Valley Stream area. We should be done with that area in April. He said the new substation.

Council Member Pressly asked information about the contract labor. Leis stated that in 2020 the staff did all the work. Once the growth came, the city started hiring contractors. Our contractors are working in the new construction or larger projects. We have an annual contract for 3 years.

Rick Vandermoss with Electricities stated that the City SPP has a healthy cash balance. The Customer Service charge recovers the cost of connection to the grid at zero consumption. The Cost of Service Study states that the service fee should be \$27.28. We are under collecting the customer charge.

Council Member Jones asked about how we categorize small, medium, or large businesses. Vandermoss demand is what determines the size of the business. The usage of the businesses and equipment usage is how the fixed charger in respective of what it costs us to serve them.

The recommendation is to move the customer service charge closer to the actual fixed charges.

Council decided to review this in more detail once the Cost of Service Study was complete.

2. Water and Sewer Fees, Memo #6, Harrell, Vaughan

Vaughan stated that McGill stated that we needed a rate increase of 12%. So, we did the midpoint correction.

- VIII. 4th Creek Wastewater Treatment Plant Future Gameplan, Memo #7, Harrell, Vaughan**
Council Member Pressly asked at the current rate we are growing and asked how long we make till 80%. Vaughan stated that there will be 4 to 5 years until we reach it.

Council Member Jones stated that he would like to see the cost benefit analysis between doing the expansion and the package plant. It may be more cost effective to do the expansion now than to do the package plant and wait.

- IX. Growth Strategies, Memo #8, Martin**

Martin reviewed the Land Use Plan leads to smart growth. Engineering principle growth is base. The Strong Towns growth ideas combines the lofty goals with the engineering goals.

She would like to reimagine the growth tiers.

Tier 1: Core Reinforcement Growth Boundary would be Downtown and established neighborhood. It would comprise of small mix-used development and create walkability.

Tier 2: Neighborhood Completion Growth Boundary would be areas adjacent to the core with existing infrastructure to fill in gaps and create complete neighborhoods. We would like to see Townhomes, small lot single family, adaptive reuse, commercial nodes.

Tier 3: Managed Expansion Growth Boundary would be edge areas within service capacity to allow growth, but only where financially sustainable We would like to see clustered subdivisions, mixed housing types, commercial at key intersections, strategic industrial.

Tier 4: Long-Term Reserve Growth Boundary would focus on rural, environmentally sensitive, or fiscally expensive areas to protect land and prevent premature infrastructure burdens. We would want to see agricultural uses, very low density residential, conservation clusters

Martin reviewed a new Zoning District she is proposing: Innovation & Flexibility (IF). This would be a floating district to UDC that would allow desired uses through conditional rezoning and for deviation in local standards and creativity (parking, landscaping, form, setbacks)

Council Member Pearson is concerned about independent developers in Ward 6. She asked if the innovation and flexibility would assist. Martin stated that the code is not very clear and this district would help these developers.

Council Member Robertson stated that this idea came out because of the small area plans because what people wanted were not permitted in the code. Smith stated that the priority areas could be identified and then we could go after developers to redevelop areas.

Council Member Allison asked if this innovated district will not be under a special use permits. Martin stated that she is trying to move away from the Special Use Permits.

Council Member Pressly stated that he would like to see the tenants of smart growth in the Strategic Plan. He would like to prioritize infill development.

Council was very interested in the IF Zoning District.

- X. Tour of Hickory**

The City Council went on a guided tour of the Hickory CityWalk and other things discussed during the meeting today.

The meeting adjourned at 4:45 p.m.

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STATESVILLE CITY COUNCIL WINTER RETREAT MINUTES – FEBRUARY 19, 2026
STATESVILLE REGIONAL AIRPORT – 227 AIRPORT ROAD, STATESVILLE, NC – 9:00 A.M.

Council Present: Mayor Hendrix presiding, Pearson, Allison, Pressly, Pfeufer, Nicholson, Jones, Lawton, Robertson

Council Absent: None

Staff Present: Ron Smith, E. Kurfees, Griggs, G. Kurfees, Nesbit, Martin, Lawrence, Hills, Harrell, Ferguson, Hubert, Bridges, Everette

I. Welcome and Review of Previous Day

Smith reviewed the agenda for the day.

II. Transportation Projects, Memo #10, Hubert, Martin, Harrell
Charlotte Regional Transportation Organization (CRTPO) 101, CRTPO REP
Airport Grants, Memo #11, Information Only

Martin introduced the CRTPO Director Robert Cook and Deputy Director Neil Burke. He reviewed what CRPTO is and what an MPO is responsible for.

Council Member Jones stated that the council needs to know the TIP process and how projects are funding. He stated that this can be a part of the committee process

Burke stated that we are working on studying the I-77 Corridor from Statesville to SC Line called Beyond 77. Smith stated that the BUILD Grant gets us almost to Kestler's Bridge.

Comprehensive Safety Action Plan is the first multi-jurisdiction safety plan. It is a localized blueprint for safety. There will be an opportunity for public engagement. Special Analysis in school zones or speeding areas. If we have community engagement for the budget, this would be a station to have for public input.

Discretionary Grant Programs allows Statesville to access federal direct funds through a competitive process. The funding for highway, bike, transit and planning projects with scoring criteria. Smith asked how the estimate needs to be to apply for these funds. Neil stated that a 10 and 15% design to have a good estimate. Statesville did not apply last year. Council Member Jones said that we must have a list of projects ready to go to the TCC.

Martin provided updates on the City projects. The Davie Round About Project will be bided out in March. Hubert stated that the lighting and landscaping is what NCDOT construction side would do. Council Member Jones stated that we negotiated landscaping instead of funds for land we condemned. Council Member Lawton is concerned about the street closures and would like to tell residents when roads are closing.

Martin stated that the NCDOT will replace the bridge at Amity Hill Road and the bridge will be built in a way to be expanded later. Hwy 21 Road expansion is causing some businesses to shift, including Chick-Fil-A.

Cloverleaf Elementary Pedestrian Hybrid. The conditional rezoning required the signalize pedestrian. NCDOT said it would be more of a hazard, and they are looking for another solution. Council Member Jones asked if this signal would be a good discretionary funding. Neil stated that it could be, but it is a lot of paperwork for a signal.

Council Member Pearson wants to have a meeting with the Iredell County Commissioners about Bethlehem Road. Martin reviewed the options: 1. Ask for more TIP shortfall funds at 50% match 2. Remove the project and get the road done through private development 3. Delay until we see the cost of right of way. Mayor Hendrix and Council Member Pressly would like to follow Staff Recommendation and do option 3.

Council Member Robertson and Pearson would like to see pedestrian improvements on Eastside Drive.

III. Workforce Topics, Memo #9, Everette

Everette reviewed the Employee survey results. Council Member Pressly asked about how the turnover relates to other communities. Everette said that we do want some turnover. City of Wilmington says their turnover is 17%. Smith said that there are some turnover is a good thing. Council Member Pressly is concerned about the cost to replace employees.

Market Study says we are offering new employees 9% less. As of right now, to implement the market study it will take \$680,000. We did not implement the entire market study which led to 14% change in offer acceptance.

Everette reviewed some changes to the vacation and sick time accrual process. Council Member Pearson would like to see the payout of sick decreased and the vacation change.

Smith reviewed the department head salaries.

IV. Economic Development Trends, Bosser

Bosser reviewed the area's growth and job growth.

Council Member Pressly stated that the growth has been transformational under Ms. Bosser. He would like to bring back an economic development committee.

V. City Council Committees, Memo #12, E. Kurfees

E. Kurfees reviewed the recommended Council Committees and structure.

Council Member Jones stated that some committees could be hybrid and some could be a committee as present. He is concerned about the amount of additional work for staff and council members. Smith stated that we should just choose the committees that make the most sense with our priorities.

Council member Pressly stated that most municipal governments have committee structure. He stated that the structure would pursue policy goals and report to the full council to discuss. He does not expect it to be a large amount of work for staff.

Council Member Pearson is concerned about the work level for staff. She asked if every council member is on a committee. E. Kurfees stated that the council members are on Boards and Commissions.

Council Member Jones would like to see certain committees. He does not think they need to meet every month. He wants there to be a goal. He stated that the Economic Development and the Land Use Planning committees are the most important.

Council Member Robertson recommended a special liaison on certain topics.

Council Member Pressly wants to take advantage of talent on the council. He would like to pursue policy goals with a committee structure.

Council Member Nicholson stated that he agrees with Council Member Robertson. He said that no one is left out.

Council Member Jones's main concern is the level of additional work on the staff. He said that the value is that we get more community involvement.

Smith stated that we need a Utilities Committee. Council Member Jones stated that he would be willing to participate.

Mayor Hendrix stated that the Economic Development committee would be very helpful to have EDC and business leaders.

Council Member Jones supports the Utility Committee, the Economic Development, and Land Use for the UDC.

Council Member Pearson said we need to prioritize the Utility Committee and said she would be on the committee.

Smith stated that he would like Council Member Robertson on the committee because he is a civil engineer.

Mayor Hendrix stated that we will have the Utility Committee. He suggested that we move forward with establishing the Economic Development and Workforce Committee and let's see who we want to engage who is not on Council and poll council to see who is on the council. We will have Ron poll the Council regarding these two committees.

Council Member Jones stated that we should also have the Land Use Committee with Council Member Pfeufer as the lead.

Council Member Pearson would like to have the Housing Committee once we complete the Utility Committee. Council Member Allison would like to be apart of the Housing Committee.

VI. Special Appropriations, Memo #13, E. Kurfees

E. Kurfees reviewed the current Special Appropriations and the changes Staff are recommending a more transparent process.

Council Member Nicholson stated that in 2016, it was a burden to select nonprofit organizations. He is in support of additional reporting. He believes the funding should stay in Statesville.

Council Member Jones stated that the tone at the time was that it was taxpayer dollars and wanted to be good stewards of the tax funds. There are too many organizations in Stateville.

Council discussed that if an organization did not file, then a new organization could be added in their slot.

Council Member Jones stated that we can be a partner to nonprofit organizations without giving them funding.

Smith stated that if you open the applications process up, then we will get more applications. He stated that nonprofit organizations can deal with issues, such as homelessness, better than the City can. The City has emerging issues that we cannot deal with.

Council would like to have the Strategic Plan goals added into the Application Process. They would also like to add additional requirements to the funds such as state what allowable expenses are. They would like to see an itemized budget for the funds. The Council liked the idea of providing half the funding up front and the organization providing an update on how they are using the funds to receive the remaining funds.

Council decided to leave the Special Appropriations as it is this budget year. Next year, the Council would like the application process to include a Strategic Plan link as well as an itemized budget. Also, in the following budget year, the Council would like to see half the funds provided and the other half held until a statement of how they used the current funds are received.

VII. Prioritization Process, Smith

Smith asked the council what do we want to see to improve the City as a whole.

Council Member Pfeufer stated balanced growth, business friendly – permitting, workforce housing, pedestrian friendly in other areas not in the street, attract young people and families – how do we attract younger people to our City.

Council Member Nicholson agreed with Council Member Pfeufer. He added ways to get more citizen engagement.

Council Member Lawton stated that she would like to manage the caliber of citizens we are getting with housing and jobs. Hickory is asking for 10% above the average wage for their incentive policy. She would like to see more cultural offerings, Shelton Ave gateway beautification, linear park, etc.

Council Member Allison would like to see more to go into our community and community engagement, better transportation, housing, South Statesville improvement, diversity and transparency.

Council Member Pressly would like to invest in streets and road network, public safety, have an economic development policy to recruit high paying jobs.

Council Member Robertson uses the strong town analysis and would like to take care of the things we already have such as sidewalks, maintain the pipes and streets, make it easier to get a range of housing with code changes.

Council Member Jones would like to narrow the Strategic Plan with metrics assigned, and find a pathway to yes- we can get good wins.

Mayor Hendrix would like to 90% of the fire, police, and people that work here live in Statesville (afford to live here), he likes the creative zoning district, and he would like to see more people engaged and trusting the government.

Council Member Pearson would like to improve the relationship with the employees, have quality housing, creative zoning district, better relationship with other municipalities and counties. Ultimately, she would like to see a future south Statesville swimming pool.

Smith reviewed the FY 2027 needs.

Developing our Team- discussion on employees

Smith stated that he would like to keep the market study, COLA for employees, new fire positions, and the department head salaries. He asked is the staff rankings reasonable to the Council? They agreed.

Council member Pearson states that the merit raise needs to look at for the following year's budget. Smith stated that we can look at adding it in the FY2028 budget.

Connecting our City

Smith stated that preventative maintenance is important. Council Member Pearson suggested reaching out to state preservation for help with the windows.

MOC

Council Member Jones is fine with debt and would like to keep within the fund balance policy.

Council overall agreed with the staff recommendations.

Connecting our Community

Council would like to see something happen with old Station 1. Overall, the Council was good with the staff recommendation. Council Member Nicholson noted that he would like to see the greenways move up in the ranking if possible.

Recurring Capital

Council Member Jones would like to see the Iredell Rescue Squad issue come back up to the new council. After some discussion, the Council decided to make the fire first responder issue a main priority.

Overall council did not have an issue with the recurring capital needs.

Conclusion and Adjourn