

**MINUTE BOOK 32, PAGE 070
STATESVILLE CITY COUNCIL PRE-AGENDA SESSION MEETING MINUTES – May 28,
2026
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 4:00 P.M.**

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

Council Absent: None

Staff Present: Ron Smith, Messick, E. Kurfees, Nesbit, G. Kurfees, Martin, Leis, Harrell, Vaughan, Campbell, Onley, Leis, Hubert, Ferguson, Griggs, Everette, Hubert, Moore, Francica, Campbell

I. Call to Order

Mayor Hendrix called the meeting to order.

II. Invocation

III. Pledge of Allegiance

IV. Adoption of the Agenda

V. 2026 Code of Ethics and the Front and Center Strategic Plan

VI. Presentations & Recognitions

VII. City Manager Report

VIII. CONSENT AGENDA

A. Consider approving the May 7, 2026, Pre-Agenda Meeting Minutes and the May 16, 2026, Regular Meeting Minutes. (E. Kurfees)

B. Consider approving Budget Amendment #2026-26 to purchase 1460 Winston Avenue. (Harrell)

Harrell stated that this is the building that has been leased by Public Power and purchased for building maintenance. The total budget is \$700,000 for purchase and upfit.

C. Consider approving the second reading of an ordinance ZC26-06 Turnersburg Hwy (Quick Trip) to rezone from Iredell County General Business Conditional Use District and Highway Business Conditional Use District to City of Statesville B-4 Conditional Zoning District. (Campbell)

D. Consider approving the second reading of an ordinance of annexation petition AX26-06 Turnersburg Hwy, filed by Thomas Donton of QuikTrip Corporation for six parcels located at the intersection of Turnersburg Hwy and Interstate 77. (Campbell)

E. Consider approving the second reading of the ordinance for TA26-02 batch 1 text changes to the Unified Development Code. (Martin)

Council Member Pressly thanked staff for their work on the text amendments.

F. Consider approving the second reading of an ordinance for TA26-03 batch 2 text amendments to the Unified Development Code. (Martin)

G. Consider reappointing Steve Knight and Janice Powell to the Stormwater Advisory Commission. (Moore)

H. Consider accepting a grant from NCDOT Aviation Division in the amount of \$3,000,000 to construct a pad ready site for West Star Aviation hangar and approve Budget Amendment # 2026-24. (Ferguson)

I. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-03 185 Moose Club Road, filed by Hezekiah Walker of Love Fellowship Tabernacle INC, for two parcels located at 185 Moose Club Road, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution

fixing a date of June 15, 2026, for a public hearing for the petition for annexation. (Kirkendall)

Smith stated that it is a satellite annexation. Martin stated that planning staff is not recommending approval. It is outside of the 2045 Land Use Plan. It is within the annexation boundary with the Town of Troutman.

Council Member Pfeufer asked why the planning board wanted to approve it. Campbell stated that it is across from Wakefield and it is consistent with the area. The majority of denial was because it was outside the 2045 Land Use Plan.

Vaughan stated that they do not have any sewer plan besides using Wildwood Subdivision.

J. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-08 114 Bristol Road, filed by Mr. Jorge Valdez The Painter's Personal Touch LLC, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of June 15, 2026, for a public hearing for the petition for annexation. (Campbell)

K. Consider appropriating fund balance to approve Budget Amendment #2026-23 to pay an economic incentive in the amount of \$153,387 to Denso Manufacturing NC, Inc. (Lawrence)

L. Consider approving Budget Amendment #2026-28 to transfer excess funds identified in the Project Fund 321 to Project Fund 327 to support a portion of the capital costs included in the FY26 Adopted Budget for a new fire apparatus and equipment. (Lawrence)

Lawrence stated that these funds are excess funds in the SPD/Garage and moving it to the Fire Station project.

M. Consider approving Budget Amendment #2026-29 to transfer and appropriate funds to support the Destination Manager position at SCVB for FY26. (Lawrence)

Smith stated that the Destination Manager funds was a general fund allocation because the CVB is underfunded compared to other organizations. They received approval, but the funds were never turned over. They have not asked for the funds this year.

Council Member Nicholson asked where they would fund the manager position. Hills stated that it may come back to the council but they probably fund it by fund balance.

N. Considering renewing the Service Contract with Downtown Statesville Development Corporation to manage the City of Statesville's Main Street program. (Pierce)

Council Member Pressly asked when the annual report will be done. Griggs stated that the report is typically in September. The Council will be involved and reviewing Capital Improvement Plan.

Council Member Nicholson asked when the contract was done. Council Member Robertson stated that it is a 5 year contract since the 1980s.

City Council asked the City Clerk to send the previous year annual report.

REGULAR AGENDA

IX. Receive and consider accepting the City's audited Annual Financial Report for the fiscal year that ended on June 30, 2025. (Lawrence)

Lawrence stated that this is our annual audit from July 2024-June 2025. NC requires audits to be turned in by December, but we received an extension until February. We have submitted an action plan in order to fix the timeliness of the audit. The other finding was how we track our grants and assets, especially in our enterprise funds. We have put in deadlines with departments to ensure we are not having these issues again.

X. Conduct a public hearing and consider approving the Fiscal Year 2027 Budget Ordinance and Fee Schedule. (Lawrence)

XI. Conduct a public hearing and consider approving an ordinance to re-establish the Downtown Municipal Service District for another five years (July 1, 2026 - June 30, 2031). (Pierce)

Griggs stated that the MSD funds the staffing that runs DSDC. It is a 10 cent tax. The MSD area has not changed.

Council Member Nicholson asked if the apartments would pay the tax. Smith said yes.

Council Member Pressly asked for an update. Campbell stated that DELCO is coming back to DRC in regard to their windows. Council Member Jones would like this to come in front of Council to see what we can do to review the window policy of downtown. Council Member Lawton wants to see this as well.

Smith stated that we will review the documents and bring a report/update back to Council.

Council Member Allison asked about the Clock. Messick said that our easement has been terminated. Iredell County has declined to participate in the maintenance of the clock tower.

XII. Conduct a public hearing and consider passing the first reading of an ordinance to annex AX26-04: 1006 Wall Street, filed by Mr. Garrison Davis of TruNorth Homes LLC, for approximately 0.62 acres located along Wall Street. (Campbell)

Campbell stated that the owner wants to annex for city services. It will be a single family home. They do not want to tie into sewer at the moment.

Vaughan stated that the applicant will have to work with the health department to get a variance for septic system.

XIII. Conduct a public hearing and consider passing the first reading of an ordinance to annex AX26-07 237 Third Creek Rd, filed by Mr. Robert Helms of Husky Homes and Land LLC. (Campbell)

Campbell stated that the owner wants to annex for 1 single family to connect to water services. Campbell stated that there could be an issue since it is mostly built. Vaughan stated that they would have to get a waiver from the health department for an alternative sewer system.

XIV. Consider approving a resolution to cancel the U-6153 project to relocate Bethlehem Rd adjacent to the Statesville Regional Airport. (Martin)

Martin stated that we are currently on the hook to pay 50% of the project costs with construction in 2029. We completed 75% construction drawings. The land prices are going up. A landowner is here and he is willing to sell the property to the City. Staff recommends canceling the project.

Council member Pressly stated that we would leave \$2.5 million from federal discretionary dollars. There was an original deadline, and we may have more time on our project.

Council Member Pressly asked what the Airport Commission thinks. Ferguson stated that it supports long-term growth at the airport, but the funding is currently not there. Council member Pressly is concerned about the economic development in this area. He would like for the Airport Commission to find other funding sources, and he believes that this is being rushed through.

Council Member Jones asked if the road goes into the Airport Overlay, can we get more funds to do the road. Ferguson stated that there could be more funds, but he is unsure of the availability of funds. Council determined to pull it from the Airport.

Council Member Allison asked if Council Member Pressly's comments could work. Ferguson stated that we could try to get more funds.

Council Member Pressly does not want to walk away from \$2.5 million.

Smith stated that the pink area would contribute funds when they are available, and will not fund the road project. Ferguson stated that you cannot use aviation funds for road projects.

Smith stated that the Airport Commission may not be able to provide comments. Ferguson stated that the Airport Commission cannot look for funds, but the Staff would have to go to the State and look for funds.

Council Member Nicholson stated that the land cost has increased dramatically and there are other projects that we need to accomplish.

Mayor Hendrix stated that there is a heightened sense of urgency for developers for the property adjoining the airport and then the developer would have to put the road in.

Martin stated that private development may be able realign the road which the neighbors would like.

XV. Advisory Boards Meeting Minutes - None

XVI. Other Business

XVII. Closed Session (After Pre- Agenda)

1. Personnel

Council Member Pressly made a motion to go into closed session, and Council Member Nicholson seconded the motion. The motion passed unanimously.

Coming out of closed session, Mayor Hendrix stated a personnel matter was discussed and no decisions were made.

XVIII. Adjournment

Council Member Allison made a motion to adjourn. Council Member Pfeufer seconded the motion. The motion passed unanimously.

**MINUTE BOOK 32, PAGE 074
STATESVILLE CITY COUNCIL REGULAR SESSION MEETING MINUTES – June 1, 2026
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 6:00 P.M.**

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

Council Absent: None

Staff Present: Ron Smith, Messick, E. Kurfees, Nesbit, G. Kurfees, Martin, Leis, Harrell, Vaughan, Campbell, Onley, Leis, Hubert, Ferguson, Griggs, Everette, Hubert, Moore, Francica, Campbell

I. Call to Order

Mayor Hendrix called the meeting to order.

II. Invocation

The City Clerk led the invocation.

III. Pledge of Allegiance

Mayor Hendrix led the Pledge of Allegiance.

IV. Adoption of the Agenda

Mayor Hendrix stated that we moved Item C and D to Item 15 and 16.

Council Member Allison made a motion to approve the amended agenda. Council Member Robertson seconded the motion. The motion passed unanimously.

V. 2026 Code of Ethics and the Front and Center Strategic Plan

VI. Presentations & Recognitions

VII. City Manager Report

Smith provided some construction updates. The Parking Garage should be completed July. PD Expansion should be completed early next year. Fire Station 5 ribbon cutting will be June 30th at 10 AM. The Municipal Operations Center financial discussions will be in July. Smith provided an update on recreation projects. Kimbrough Park is completed, Newtonville Community Park pickleball courts are almost completed, and the Event Center AV equipment has been installed. Smith stated that we are working through the steps of the waterline project. Smith stated that the Circuit 63 undergrounding has been completed.

Smith provided an update on staffing and key dates.

VIII. CONSENT AGENDA

Mayor Hendrix stated that all items are routine and will be enacted in one motion.

A. Consider approving the May 7, 2026, Pre-Agenda Meeting Minutes and the May 16, 2026, Regular Meeting Minutes. (E. Kurfees)

B. Consider approving Budget Amendment #2026-26 to purchase 1460 Winston Avenue. (Harrell)

~~**C. Consider approving the second reading of an ordinance ZC26-06 Turnersburg Hwy (Quick Trip) to rezone from Iredell County General Business Conditional Use District and Highway Business Conditional Use District to City of Statesville B-4 Conditional Zoning District. (Campbell)**~~
This item was moved to the Regular Agenda.

~~**D. Consider approving the second reading of an ordinance of annexation petition AX26-06 Turnersburg Hwy, filed by Thomas Denton of QuikTrip Corporation for six parcels located at the intersection of Turnersburg Hwy and Interstate 77. (Campbell)**~~
This item was moved to the Regular Agenda.

E. Consider approving the second reading of the ordinance for TA26-02 batch 1 text changes to the Unified Development Code. (Martin)

F. Consider approving the second reading of an ordinance for TA26-03 batch 2 text amendments to the Unified Development Code. (Martin)

- G. Consider reappointing Steve Knight and Janice Powell to the Stormwater Advisory Commission. (Moore)
- H. Consider accepting a grant from NCDOT Aviation Division in the amount of \$3,000,000 to construct a pad ready site for West Star Aviation hangar and approve Budget Amendment # 2026-24. (Ferguson)
- I. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-03 185 Moose Club Road, filed by Hezekiah Walker of Love Fellowship Tabernacle INC, for two parcels located at 185 Moose Club Road, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of June 15, 2026, for a public hearing for the petition for annexation. (Kirkendall)
- J. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-08 114 Bristol Road, filed by Mr. Jorge Valdez The Painter's Personal Touch LLC, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of June 15, 2026, for a public hearing for the petition for annexation. (Campbell)
- K. Consider appropriating fund balance to approve Budget Amendment #2026-23 to pay an economic incentive in the amount of \$153,387 to Denso Manufacturing NC, Inc. (Lawrence)
- L. Consider approving Budget Amendment #2026-28 to transfer excess funds identified in the Project Fund 321 to Project Fund 327 to support a portion of the capital costs included in the FY26 Adopted Budget for a new fire apparatus and equipment. (Lawrence)
- M. Consider approving Budget Amendment #2026-29 to transfer and appropriate funds to support the Destination Manager position at SCVB for FY26. (Lawrence)
- N. Considering renewing the Service Contract with Downtown Statesville Development Corporation to manage the City of Statesville's Main Street program. (Pierce)

Mayor Hendrix asked for a motion on the consent agenda.

Council member Allison made a motion to approve the consent agenda. Council Member Robertson seconded. The motion carries unanimously.

REGULAR AGENDA

- IX. **Receive and consider accepting the City's audited Annual Financial Report for the fiscal year that ended on June 30, 2025.** (Lawrence)

Morgan from Martin Starnes presented on the Annual Audit. She stated that it is a clean audit. All the enterprise funds have profits. There were no significant deficiency findings noted. There are two material weakness findings. The timeliness of the audit and the journal entries. The city has the healthy available fund balance.

Smith stated that the audit is a snapshot of the items.

Council Member Allison made a motion to accept the audit. Council Member Jones seconded the motion. The motion carries unanimously.

- X. **Conduct a public hearing and consider approving the Fiscal Year 2027 Budget Ordinance and Fee Schedule.** (Lawrence)

Smith stated that we have done everything legally we need to do. If there are no material comments, then you can approve the Budget Ordinance tonight. We must have an adopted budget by June 30, 2026.

Mayor Hendrix opened the public hearing. No one spoke during the public hearing. Mayor Hendrix closed the public hearing.

Council member Pressly discussed the street inspection fee. He stated the cost is 75 cents a linear foot and the proposed fee is \$1.50. He said it is difficult to justify to the citizens the increased fee.

Council Member Pressly made a motion to adopt the street inspection fee at 75 cents and to track the costs and come back at the retreat. Council Member Allison seconded the motion.

Council Member Jones asked why it was proposed at \$1.50 a linear foot. Hubert stated that it is up to the board. He stated that we only had two developments on inspections to determine the fee. He believes it is reasonable to reduce it to 75 cents. Our fees are the lowest in the state.

Council Member Allison would like to know how we determined the \$1.50. Hubert stated that we need more data in order to better determine the fee.

Council member Lawton asked if the citizens pay the fees or if citizens will pay the fee. Hubert stated developers will pay the fee.

Council Member Jones believes the motion is reasonable.

Council Member Nicholson asked if 75 cents is enough to hire contract out. Hubert stated that the 75 cents is only for internal staff to handle.

Council Member Pressly stated that the fees are passed on to the citizens. Smith stated that \$1.50 has been in the fee schedule but we have not been charging it.

Council Member Robertson asked what our neighbors charge. Hubert stated that the fee is a one-time fee and Mooresville is at \$1.00.

Council member Pearson stated that we need to have a happy medium.

Messick stated that we can only charge what the statute authorizes and it is only what the data can show.

Council member Robertson stated that the cost will almost be higher because of reinspections of developments. Hubert said that the data does not show \$1.50.

**Mayor Hendrix called for a vote on the motion
Aye: Pressly, Allison, Pfeufer, Jones
Nays: Robertson, Nicholson, Pearson, Lawton**

Mayor Hendrix voted in favor of the motion. The motion passed 5 to 4.

Smith asked if you wanted to adopt the budget.

Council Member Nicholson made a motion to approve the budget with changes to the street inspection fee. Council Member Lawton seconded the motion. The motion carries unanimously.

- XI. Conduct a public hearing and consider approving an ordinance to re-establish the Downtown Municipal Service District for another five years (July 1, 2026 - June 30, 2031). (Pierce)
Mayor Hendrix opened the Public Hearing.**

Pierce stated that the downtown MSD supports the downtown revitalization, 250 acres and 370 parcels. It brings in \$122,714. The entire MSD tax is retained by the city to cover the costs of revitalization. Pierce stated that the key of our work is to preserve the historic districts in our community.

Council Member Allison asked if a non-historic house. Pierce stated that the residential is exempt from the MSD.

Council Member Pressly asked if 100% of the revenue of the MSD goes to pay the salaries of 2 staff. Pierce stated that is correct. He asked many questions about what DSDC does and will meet with him in the future.

Council Member Pressly made a motion to approve the first reading of the ordinance. Council Member Pfeufer seconded the motion.

Council Member Robertson stated that 1.6 million in private investment in the downtown district and coordinated 1000 hours of volunteers with 15 events.

Mayor Hendrix closed the public hearing.

Mayor Hendrix called a vote on the motion. The motion carries unanimously.

- XII. Conduct a public hearing and consider passing the first reading of an ordinance to annex AX26-04: 1006 Wall Street, filed by Mr. Garrison Davis of TruNorth Homes LLC, for approximately 0.62 acres located along Wall Street. (Campbell)
Mayor Hendrix opened the public hearing.**

Campbell stated that a .62 acre parcel and the applicant is requesting to connect to city power and water. The site is wooded and undeveloped. The owner intends to build a single-family home. Staff recommend that the request meets the statutory requirements for annexation.

Council Member Robertson stated that the applicant may need a waiver to get a septic system. Smith stated that the waiver would have to be given by the City Council.

Campbell stated that it is not information that he would have passed on to the applicant. He stated that he would coordinate a discussion with the applicant and Public Utilities.

Mayor Hendrix closed the public hearing and asked for a motion.

Council Member Allison made a motion to approve the annexation. Council member Robertson seconded the motion. The motion carries unanimously.

- XIII. Conduct a public hearing and consider passing the first reading of an ordinance to annex AX26-07 237 Third Creek Rd, filed by Mr. Robert Helms of Husky Homes and Land LLC. (Campbell)
Mayor Hendrix opened the public hearing.**

Campbell stated that this is a .88 acres on Third Creek Road and requesting annexation to connect to water. They are finishing a single-family home build. This is a contiguous annexation. Staff states that the site meets statutory requirements for annexation.

Council Member Robertson stated that the applicant may need a waiver to get a septic system. Smith stated that the waiver would have to be given by the City Council.

Campbell stated that it is not information that he would have passed on to the applicant. He stated that he would coordinate a discussion with the applicant and Public Utilities.

Mayor Hendrix closed the public hearing.

Council member Allison made a motion to approve the first reading of the annexation. Council Member Robertson seconded the motion. The motion passed unanimously.

- XIV. Consider approving a resolution to cancel the U-6153 project to relocate Bethlehem Rd adjacent to the Statesville Regional Airport. (Martin)
Martin stated that the City received \$2.5 million to relocate Bethlehem Road, which we believed would be half the cost of the project. Since that time, we have completed 75% design and beginning land acquisition.**

With rising land and construction costs, it is Planning and Engineering's recommendation to cancel the project for the road to be built by private development.

Council Member Jones asked if the funds spent on the engineering would be required to be paid by the city. Martin stated that we are not on the hook to repay those dollars.

Council Member Jones asked about the funds budgeted for this project. Smith stated that there are \$2million assigned in the fund balance for the project and it would be put back into fund balance.

Council Member Pressly asked for a time constraint on the grant. Martin stated that DOT have allowed us an extension. We would have to ask for additional time.

Council Member Pressly would like to give the Airport Commission 60 days to find other funds. Council Member Nicholson stated that it is a City Project and not an Airport Project.

Smith stated that there is a taxiway at the top, that is an economic development project associated with the land, and the road project. None of the projects are financed.

Council Member Jones stated that the road project divided the larger developable projects in half and if the project went back to the airport commission, the city would receive more funding from the federal government.

Council member Pressly makes a motion to send this back to the Airport Commission with an Airport Layout Plan amendment.

Ferguson stated that the road is in the Airport Layout Plan. He stated that the road was done to meet the mobility plan. He asked for time to go to Raleigh to find more funds.

Council Member Pearson asked how does the increase impact the budget. Smith stated that it should not impact the budget we just adopted.

Council member Allison seconded the motion.

Council Member Pressly stated that previous council promised the road to be extended. Council Member

Mayor called for a vote on the motion:

Aye: Allison, Pressly

Nay: Robertson, Jones, Lawton, Nicholson, Pearson, Pfeufer

The motion failed 2 to 6.

Council Member Jones made a motion to approve the resolution and asked to add the road back into the Airport Land Plan. Council Member Nicholson seconded the motion.

Council Member Allison asked if it is not beneficial to go find additional funds. Council Member Jones said it would take years to get funding.

Council member Robertson stated that the road is not in the best location and we cannot currently change the road design.

Mayor Hendrix called for a vote on the motion. The motion carries unanimously.

- XV. Consider approving the second reading of an ordinance ZC26-06 Turnersburg Hwy (Quick Trip) to rezone from Iredell County General Business Conditional Use District and Highway Business Conditional Use District to City of Statesville B-4 Conditional Zoning District. (Campbell)**

Martin stated that Council Member Pfeufer asked for clarification on the proposed condition to remove truck stop to remove from the list.

Council Member Pfeufer stated that there are a lot of trucks on the side of the highway because of the Lowe's Distribution Center. The issue is the land that is bundled with the property. She is concerned that the Council will not have input on the truck stop.

Martin stated that staff spoke with the applicant, and we added truck stop to the list of prohibited item and added the following uses condition.

Council Member Pfeufer made a motion to approve the second reading of the rezoning request with the amended conditions. Council Member Robertson seconded the motion. The motion passed unanimously.

- XVI. Consider approving the second reading of an ordinance of annexation petition AX26-06 Turnersburg Hwy, filed by Thomas Donton of QuikTrip Corporation for six parcels located at the intersection of Turnersburg Hwy and Interstate 77. (Campbell)**

Council Member Pfeufer made a motion to approve the second reading of the annexation request. Council Member Allison seconded the motion. The motion passed unanimously.

XVII. Advisory Boards Meeting Minutes - None

XVIII. Other Business

XIX. Closed Session (After Pre- Agenda)

XX. Adjournment

Council Member Allison made a motion to adjourn the meeting, and Council Member Pfeufer seconded the motion. The motion passed unanimously.