

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

Council Absent: Lawton

Staff Present: Ron Smith, Messick, E. Kurfees, G. Kurfees, Leis, Harrell, Vaughan, Onley, Hubert, Griggs, Kirkendall, Everette, Pierce, Caulder, Lawrence, Adkins, Hatcher, Bridges

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

1. Piedmont HealthCare 30th Anniversary Proclamation
2. Parks and Recreation Month Proclamation

VII. City Manager's Report

VIII. Public Comment

Smith stated that we have been told that an individual may attend the meeting.

Council Member Jones stated that it is good for the Manager to respond during a Public Hearing.

IX. CONSENT AGENDA

Mayor Hendrix reviewed the consent agenda.

A. Consider approving the May Budget Meeting Minutes, June 11, 2026, Pre-Agenda Meeting Minutes and the June 15, 2026, Regular Meeting Minutes. (E. Kurfees)

B. Consider accepting the three-year award from the Governor's Crime Commission under the Violence Against Women Act (VAWA) Grant in the amount of \$112,497.90. (Hatcher)
Chief Onley stated that this is an annual grant.

C. Consider approving the first reading of a parking ordinance prohibiting vehicles from parking in the same block beyond the permitted time limit. (Onley)
Chief Onley stated that the system recognizes vehicles remaining in the same block. He stated that other municipalities have 2 hours in the geographical block.

Council Member Jones would like to move this item to the regular agenda. He is unsure about the parking on either side of the street. He would like to have a better parking policy.

Council Member Allison is concerned about eliminating people from coming to downtown.

Council Member Jones would like Chief Onley to talk with Matthew and have signs should say. He would prefer space by space instead of blocks.

Council decided to remove this from the Agenda.

D. Consider approving a resolution supporting the City's participation in the North Carolina Public Employee Deferred Compensation Plan ("NC 457 Plan"), a qualified governmental deferred compensation plan under Section 457(b) of the

Internal Revenue Code, to provide eligible employees with an additional voluntary retirement savings opportunity. (Everette)

Everette stated that this is no cost to the City and this will lead to one log in to the for the employee.

E. Consider approving a resolution supporting the new Catawba-Wateree Water Management Group Integrated Management Plan. (Vaughan)

F. Consider approving a resolution to accept (contingent upon NC DEQ approval) the bid for the Third Creek Sewer Extension project. (Vaughan)

G. Consider passing the second reading of an ordinance to annex AX26-08: 114 Bristol Drive, filed by Mr. Jorge Valdez on behalf of the property owner The Painter's Personal Touch LLC, for approximately 0.36 acres located at the corner of Bristol Drive and Garner Bagnol Boulevard. (Campbell)

H. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-09 Moose Club Road Novel Holdings, filed by Shane Seagle of North State Development, for two parcels located along Moose Club Road, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of August 10, 2026, for a public hearing for the petition for annexation. (Kirkendall)

Council Member Pressly asked about the site plan. Kirkendall stated that the public hearing will be on August 10th and we can discuss further.

Council Member Pearson asked about Moose Club Road with our utilities. Vaughan stated that there is the same sewer issue, but the water issue is the same.

Council Member Robertson stated that the staff must bring the item to us. Messick stated that we cannot say no at this point.

Mayor Hendrix asked if the developer is aware they must put the infrastructure in.

Council Member Robertson stated that we do not want to annex or rezone anything in the Moose Club Road until we deal with the Troutman issue.

Messick stated that you must pass this. You can go on to say that you are not inclined to annex in this area because of the sewer issue. She stated that the presentation needs to include a full presentation on the sewer.

Council Member Pearson wants to be fair to everyone.

Caulder stated that the developer does know the expense of the utilities. He stated that the developer came to the City a year ago.

I. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-10 Japul Road (Harmony Vistas) Subdivision, filed by Mr. Mark Miserocchi of Harmony Investing LLC, for two parcels located at the end of Japul Road, receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of August 10, 2026, for a public hearing for the petition for annexation. (Kirkendall)

Council Member Pearson asked if he applied again. Caulder stated that the State passed legislation that we cannot stop the developer to come back. The major change is there is no connection to Japul Road.

Council Member Jones asked if the developers have a written agreement. Kirkendall stated that there is not one yet. Council Member Jones stated that his decision will be based on a written agreement with the other development.

Council Member Pfeufer stated that the citizens are against the connection.

Leis stated that he must have the written agreement to provide electric.

J. Consider approving Statesville Public Power to apply for the POWER Up Grant (Preventing Outages while Enhancing the Resilience of the Electric Grid) issued by the Department of Environmental Quality, North Carolina State Energy Office (NCSEO). (Leis)

Leis stated that our vendor did not confirm pricing in time and they did not meet the deadline in time.

This item was removed from the agenda.

K. Consider approving Utility Line Construction Services for a purchase order amount of \$1,200,000.00 for the second of 5 (five) total contract years. (Leis)

Leis stated that this is the second year of a 5 year contract. The pricing is locked in for the original contract. This is the firm we use for the capital improvements.

Council Member Pressly asked about next year. Leis stated that the purchase order should be the same going forward. The pricing is less than our old contract.

Council Member Pressly asked about the boring machine. Leis stated that we don't have the capacity to do a larger boring. He would like to see more of the financial analysis to show how much it will save or how much revenue.

Smith stated that this is response based. It is infrastructure to the new developments. There is a shift for our crews not having to do this work so that the crew could focus on the core of the city. Smith stated that he is not sure what he could add. Council Member Pressly would like to see the return on investment and take a deeper look.

REGULAR AGENDA

X. Consider approving the contract with LandDesign, Inc. to develop a small area plan for the Downtown Municipal Service District and its immediate environs. (Pierce)

Pierce stated that the funds approved last year and with the remainder of the Brownfields Grant funds. Public Power is looking to covert to 23kV in the downtown area.

Council Member Pressly asked about the funds and EPA Grants. Pierce stated that we have this funds already and we have attempted to use the funds for a couple of things, including the Monroe and Front Street Small Area Plans.

Council Member Pressly would like to see the background on the grant information.

Council Member Allison asked if the grant could be used at the wall at the Flatts. Pierce stated that the grant may only be used for planning or sites that are specific brownfields.

XI. Other Business

Council Member Pfeufer asked about the drought. Vaughan stated that we are still in stage 2. There have only been 2 violations. We made a commercial customer fix a leak and one was a warning.

XII. Closed Session

Council Member Allison made a motion to go to closed session, Council member Pfeufer seconded the motion. The motion passed unanimously.

- 1. G.S. 143-318.11(a)(3) Attorney Client Privilege**

XIII. Advisory Board Minutes

XIV. Adjourn

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

Council Absent: Lawton

Staff Present: Ron Smith, Messick, E. Kurfees, G. Kurfees, Leis, Harrell, Vaughan, Onley, Hubert, Griggs, Kirkendall, Everette, Pierce, Caulder, Lawrence, Adkins, Hatcher, Bridges

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 Item C and J were removed from the agenda and asked for a motion on the item.

Council Member Allison made a motion to adopt 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

Mayor Hendrix stated that the City Council strives to meet the code of ethics and Strategic Plan at each meeting.

VI. Presentations & Recognitions (Only at the Regular Meeting)

1. Piedmont HealthCare 30th Anniversary Proclamation

Mayor Hendrix read the proclamation and asked CEO Jeff Smith to receive the proclamation. Mr. Smith thanked the Council for their support and love being a part of the community.

2. Parks and Recreation Month Proclamation

Mayor Hendrix read the proclamation into the record and asked the REV team to come to the podium.

Mr. Griggs recognized Eric Heaggans for his 30 years of service to the Bentley Center.

VII. City Manager's Report

Smith stated that the City opened Fire Station 5 and they are running at a high call volume. He reviewed the PD expansion area and the call center has been completed. The parking garage is still delayed due to the elevator. The Municipal Operations Center final phase is in the design phase and working out the final pricing. Smith reviewed the REV projects: Newtonville Park disc golf course is underway and Cochran Street Recreation Center internal renovations have started.

Smith reviewed the waterline project. The project is 84% completed. He stated that we are still in Stage 3 Drought Conditions.

Smith reviewed the sidewalk project. The Alexander Street portion is 95% completed.

Smith provided an update from Planning. Permits are down significantly this year. There are several large developments that are in the sitework phase.

Smith reviewed the City Council Committee.

Council Member Pearson thanked staff for their work on the Juneteenth Celebration.

VIII. Public Comment

No one signed up for public comment.

IX. CONSENT AGENDA

Mayor Hendrix reviewed the consent agenda.

- A. Consider approving the May Budget Meeting Minutes, June 11, 2026, Pre-Agenda Meeting Minutes and the June 15, 2026, Regular Meeting Minutes. (E. Kurfees)
- B. Consider accepting the three-year award from the Governor's Crime Commission under the Violence Against Women Act (VAWA) Grant in the amount of \$112,497.90. (Hatcher)
- ~~C. Consider approving the first reading of a parking ordinance prohibiting vehicles from parking in the same block beyond the permitted time limit. (Onley)~~
City Council removed this from the Agenda.
- D. Consider approving a resolution supporting the City's participation in the North Carolina Public Employee Deferred Compensation Plan ("NC 457 Plan"), a qualified governmental deferred compensation plan under Section 457(b) of the Internal Revenue Code, to provide eligible employees with an additional voluntary retirement savings opportunity. (Everette)
- E. Consider approving a resolution supporting the new Catawba-Wateree Water Management Group Integrated Management Plan. (Vaughan)
- F. Consider approving a resolution to accept (contingent upon NC DEQ approval) the bid for the Third Creek Sewer Extension project. (Vaughan)
- G. Consider passing the second reading of an ordinance to annex AX26-08: 114 Bristol Drive, filed by Mr. Jorge Valdez on behalf of the property owner The Painter's Personal Touch LLC, for approximately 0.36 acres located at the corner of Bristol Drive and Garner Bagnal Boulevard. (Campbell)
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- ~~J. Consider approving Statesville Public Power to apply for the POWER Up Grant (Preventing Outages while Enhancing the Resilience of the Electric Grid) issued by the Department of Environmental Quality, North Carolina State Energy Office (NCSEO). (Leis)~~
City Council removed this item from the agenda.
- K. Consider approving Utility Line Construction Services for a purchase order amount of \$1,200,000.00 for the second of 5 (five) total contract years. (Leis)

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. The motion passed unanimously.

REGULAR AGENDA

- X. Consider approving the contract with LandDesign, Inc. to develop a small area plan for the Downtown Municipal Service District and its immediate environs. (Pierce)
Pierce reviewed why we need to update the Downtown Small Area Plan. The last plan was from 2009 and additional downtown residents have come to downtown and there are less vacant commercial properties. Pierce stated that SPP is working to convert lines to 23kV which will disrupt downtown alleys. This project will allow alley reconstruction opportunities. He stated that he wants to know where the growth needs to go and how to

help to guide that growth. He reviewed the process the selection process from the Request for Proposals.

Council Member Pressly asked questions about the Brownfields Grant. Pierce stated that the prior council applied for the Brownfields Grant. Council understood that there was funding to have a broad look at the Brownfields in general. The application included the Monroe Street and Front Street corridors. Primarily, the assessment grant is about finding the opportunities for the next round of funding. The use of the grant is a key focus in the downtown can be the industrial and dry cleaner sites.

Council Member Pressly reviewed how the EPA website has the grant award for Statesville and asked Pierce if we completed all this work. Pierce stated that we reached out to each business owner and property owner with the funds. He stated that we have not received any takers on the funds to clean up properties.

Council Member Pressly asked if we did any Phase 1 work. Pierce stated that we did Phase 1 work on DELCO and Purple Heart Homes site. He stated that Phase 1 is allows a firm to look at the past uses of the sites to determine the likelihood of contamination of the site then you look for actuals of what is in the soil.

Council Member Pressly stated that the Monroe Street / Front Street plan has 32 grants to apply for the grants. Pierce stated that we have not applied for the grant. Council Member Pressly said to discuss these grants in the Economic Development Committee.

He asked when the funds have to be spent. Pierce stated all but \$50,000 has been spent and the deadline is September 30th.

Beth Poovey from LandDesign has a presentation. She reviewed the team that will work with DSDC on the project. She reviewed the scope of the project including community engagement process.

Council member Allison made a motion to accept the contract. Council Member Robertson seconded the motion.

Council Member Pressly does not support the motion due to using the Brownfields Grant. He stated that we have not followed the recommendation from the plan and we are taking funds away from South Statesville. The EPA funds are clearly intended for South Statesville.

Smith stated that the staff intend to follow through with the Front Street and Monroe Streets area plans and the consultant did not deviate from the grant application. We do plan to pursue the grants.

Council member Allison stated that she wants to revisit the South Statesville issue and to answer his question. Pierce stated that the definition of South Statesville is south of the tracks. He stated that the Monroe Corridor is the main priority in South Statesville. He stated that there are still opportunities to be taken up from the Monroe Street plan. He stated that this Downtown Plan goes all the way to Hwy 70.

Council Member Pressly asked what we have to say from the \$500,000 grant. He would like to see the industrial neighborhoods redeveloped. Pierce stated that the Brownfields sites are not in traditional "South Statesville". The highest concentration of Brownfields are Front Street and Monroe Street. The other site was the eastern side of Shelton Avenue. We did not choose that part because there was already a plan for it.

Council Member Pressly would like to have the ESF Phase 1 completed on these sites.

Council Member Robertson stated that these are appropriate use of the funds. Council Member Allison said that the grant was for South Statesville. This is from 2022. She needs a refresher of the grant and Council Member Pressly asked good questions.

Council Member Allison asked to withdraw her motion.

Council Member Pearson stated that we have Pre-Agenda meetings and Pierce did the entire presentation. She stated that these questions should be asked during Pre-Agenda.

Council Member Allison stated that the public has a right to know about the funds on South Statesville.

Council Member Jones made a motion to approve the request as presented and ask the staff to give an accounting of the Brownfields grant funding. Council Member Nicholson seconded the motion.

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

Nay: Pressly, Allison

The motion passed 6 to 2.

XI. Other Business

XII. Closed Session (following Pre-Agenda)

1. G.S. 143-318.11(a)(3) Attorney Client Privilege

XIII. Advisory Board Minutes

XIV. Adjourn

Council Member Allison made a motion to adjourn the meeting. The motion was seconded by Council Member Robertson. The motion passed unanimously.