

CITY OF CHERRYVILLE
REGULAR CITY COUNCIL MEETING
MONDAY JUNE 10, 2013 @ 7:00 PM
CHERRYVILLE COMMUNITY BUILDING
COUNCIL CHAMBERS

Present at the meeting was Mayor Pro Tem Brian Dalton, Councilmember's Kiser, Campbell and Parker, City Manager Ben Blackburn, City Clerk Paige Green, City Attorney Palmer Huffstetler Jr., Finance Director Dixie Wall, Chief Jeff Cash, Chief Chad Hawkins, Public Works Director Brandon Abernathy, EDC Director Richard Randall, Planning & Zoning Director Richard Elam, & Water Plant Superintendent Patty Hall. Michael Powell was present for the Cherryville Eagle.

Mayor Austell was sick and not able to attend the meeting. He joined us by phone during the public hearing for the FY 2013-2014 Budget.

Mayor Pro Tem Dalton opened the meeting asking Dr. Rev. Bill Lowe to pray. After the prayer everyone remained standing for the Pledge of Allegiance.

MAYOR'S COMMENTS:

Mayor Pro Tem Dalton welcomed everyone to the meeting and shared that Mayor Austell was sick and unable to attend the meeting. He also shared that we had our first farmer's market on Thursday June 6, at the Chamber of Commerce and it was a success. The rain kept some vendors and customers away but it was still a success for the first time. The farmers market will be every Thursday thru Labor Day.

ITEM #1 APPROVAL OF MINUTES:

Mayor Pro Tem Dalton asked for a motion to approve the minutes from the previous City Council meeting and the previous Work Session/Budget Planning meeting. Councilmember Campbell made a motion to approve the minutes for both meetings. Councilmember Kiser seconded the motion and the vote was unanimous.

ITEM #2 AGENDA APPROVAL/REVISIONS:

Mayor Pro Tem Dalton asked for a motion to approve the agenda as written. Councilmember Kiser made a motion to approve the agenda. Councilmember Campbell seconded the motion and the vote was unanimous.

ITEM #3 PREVIOUS WORKSESSION VOTING UPDATE:

Mayor Pro Tem Dalton shared that one vote was taken at the Work Session on May 28, 2013. The police department has to have a policy in place for reserve police officers. The amendment to Chapter 18-1, supervision of regular and reserve police officers was made. The Council voted unanimously to pass this amendment to the policy. This was needed for insurance purposes.

ITEM #4 RESOLUTION HONORING JOHN CHAVIS MIDDLE SCHOOL
BASEBALL TEAM, 2013 GASTON COUNTY CHAMPIONS:

Mayor Pro Tem Dalton read a Resolution honoring the JCMS baseball team. They are the 2013 Gaston County Champions. As each name was read out, the players came up front for recognition.

ITEM #5 PROCLAMATION IN HONOR OF THE MILITARY ORDER OF THE PURPLE HEART:

City Manager Ben Blackburn recognized the members of the Military Order of the Purple Heart. Mr. Mike Stubbs approached the podium and shared with everyone what the Military Order of the Purple Heart was. He also recognized the six other members that he came with. He also recognized anyone at the meeting that had served in the military by asking them to stand. Mayor Pro Tem Dalton then read a Proclamation honoring this group. The Proclamation was as follows,

A PROCLAMATION

In Honor Of The Military Order Of The Purple Heart

**As Issued By:
The City of Cherryville, North Carolina**

Whereas, The Purple Heart is the oldest military decoration still in present use and was initially created by George Washington in 1782, as the “Badge of Military Merit”; and,

Whereas, The Purple Heart was the first American Service Award made available to the common soldier, and is awarded to any member of the United States Armed Services wounded or killed in combat with a declared enemy of the United States; and,

Whereas, The mission of The Military Order Of The Purple Heart, chartered by an act of Congress, is to foster an environment of goodwill among the combat-wounded veteran members and their families; to promote patriotism; to support related legislative initiatives; and, most importantly, to make sure we never forget the sacrifices made by those so decorated; and,

Whereas, There have been a number of former Cherryville residents who made the ultimate sacrifice in giving their lives in the cause of freedom, and there are numerous combat-wounded veterans who currently reside within the City of Cherryville and in Gaston County, and as Purple Heart awardees who contribute to their community in countless ways; and,

Whereas, The City of Cherryville in Gaston County, North Carolina falls within the purview of Chapter 634 of the Military Order of the Purple Heart, and wishes to pledge its strong support for this noble organization and for those who put their lives at risk in service of their Country and their fellow citizens.

NOW, THEREFORE BE IT PROCLAIMED AND RESOLVED, That the City of Cherryville, North Carolina, by the affirmative action and declaration of its City Council does hereby bestow honor and gratitude upon the Military Order of The Purple Heart, Chapter 634, and proudly supports the recognition of the City of Cherryville as a “Purple Heart City in The State of North Carolina”.

Adopted this 10th Day of June, 2013.

ATTEST:

Paige H. Green, City Clerk

ITEM #6 AREA WIDE OPTIMIZATION PROGRAM AWARD FOR CALENDAR YEAR 2012:

Mr. Mark Hahn and Mr. Clint Cook approached the podium with Water Plant Superintendent Patty Hall. Mr. Hahn explained that it was a big accomplishment for Patty, her staff and the citizens of Cherryville. He explained that when a water plants achieves a 0.1 NTU level for finished water we have a 10 fold protection against water borne disease outbreaks. Mr. Hahn shared that he has known Patty and worked with her for many years. He has never had an issue with the water plant and he expressed his appreciation for the work that Patty and her staff do everyday. Mr. Hahn and Mr. Cook presented Patty with the Area Wide Optimization Award. Mr. Hahn went on to let everyone know that the City of Cherryville has good quality water.

ITEM #7 CONSIDERATION OF REAPPOINTMENT OF THE PLANNING BOARD & BOARD OF ADJUSTMENTS:

Mr. Richard Elam approached the podium and addressed the Councilmember's letting them know it was time to reappoint ETJ members to the Planning Board and the Board of Adjustments for a three year term. This term will be for July 1, 2013 through June 30, 2016. Mr. Elam has talked with each member and they all want to be reappointed. The member's need to be approved by the Cherryville City Council so that Gaston County can schedule a Public Hearing to approve and reappoint them for civic service on the Boards. The members up for reappointment are Mark Mauney, Reginald Walker, and Steve Bowen.

Councilmember Parker made a motion to approve all three members. Councilmember Kiser seconded the motion and the vote was unanimous.

ITEM #8 CITIZENS TO BE HEARD:

Mr. Ken Gantt of 4039 Cross Ridge Drive Gastonia approached the podium and explained that he does not live in Cherryville however he owns many rental properties in Cherryville. Mr. Gantt spoke about the military that was present at the meeting and his father who was a disabled veteran. Mr. Gantt encouraged the Councilmember's to put some passion and a sincere effort into a war memorial for those that have fought for our freedom. Mr. Gantt's feels like those that govern should follow laws. He shared that he has read some of the minutes from previous meetings and he cautioned using names when referring to customers. He asked the Councilmember's to think before they speak. He feels like Cherryville needs to move on and get past the negative. Mr. Gantt explained that Cherryville is only using 40% of electricity from Electricities and the City of Cherryville needs to have an investigation of Electricities. Mr. Gantt wanted to end on a good note and shared that he has had some experiences at city hall lately and he assured

the Councilmember's that we now have some great employees. The employees at City Hall demonstrate fine cooperation and it is a refreshing transformation.

Mr. Ken Gantt approached the podium again with an issue pertaining to a utility bill. He stated that he has dealt with this issue since 2009. He filed a claim with the City Manager and has documentation to prove it. Mr. Gantt stated that the employees at that time were rude and unattentive. Mr. Gantt explained that his electric readings had been changed and he can prove that as well. He tried to get help through the City Manager at that time but he told Mr. Gantt he would not know how to read the electric meter. That he would not know what he would be looking at. Mr. Gantt feels like he has been lied to. He told the Council that they quote a lot of statues and they need to read them. He understands the statues but also feels like the right thing needs to be done. Mr. Gantt feels like the city stills owes him money but he is not worried about his money but he is concerned for his tenant. Mr. Gantt feels like this needs to be looked into. Mr. Gantt stated that he started receiving a bill with a \$0.00 amount after questioning the bill. Mr. Gantt asked the Council to look into the issue that he is referring to, and do the right thing. He also wanted to end on a good note. He shared that this is not the way it is at City Hall now. He stated that he had a problem and it was addressed in thirty minutes and it was solved. He shared that the city employees had made an honest mistake and they corrected it. Mr. Gantt stated it was handled properly and that how it should be, because it is the right thing to do. Mr. Gantt shared that the previous City Manager has kicked the can down the road so long that now the policy does not apply to him.

ITEM #9 PUBLIC HEARING RE: ADOPTION OF THE FY 2013-2014 BUDGET ORDINANCE

Mayor Pro Tem asked for a motion to enter into a public hearing. Councilmember Parker made a motion and Councilmember Campbell seconded the motion. The vote was unanimous. Mayor Austell joined the public hearing by phone.

City Manager Ben Blackburn addressed the Councilmember's, staff, and citizens with the following:

The proposed 2013-14 Fiscal Year Operating Budget for the City of Cherryville is presented by City Staff to the City Council and citizens of Cherryville for Public Comments and consideration for adoption.

The budget total presented for all funds (General, Water and Sewer, and Electric) is \$12,133,977.

General Fund: \$4,109,187

Water/Sewer Fund: \$1,985,400

Electric Fund: \$6,039,390

Total: \$12,133,977

This is an increase of \$694,990 over last year's budget of \$11,438,987 or 5.7%. Reasons for the increase are:

REVENUES

- 1) \$284,894 - 5% increase in Electric Rate
- 2) \$200,000 - Sale of the former BB&T bank building
- 3) \$ 60,000 - Increase in Powell Bill appropriation into street resurfacing projects
- 4) \$ 75,000 - Increase in State Shared Revenue Taxes (Sales Tax, Utility Franchise Tax, Beer and Wine, etc.)
- 5) \$ 80,000 - Increase in Utility Extension and Late Fees

EXPENDITURES

- 1) \$ 32,000 - Leaf Machine
- 2) \$174,000 - Loan Payoff for former BB&T bank building
- 3) \$ 45,000 - Additional Debt Payment for city hall renovation (2 Payments in 2013-14 FY)
- 4) \$ 50,000 - Additional Powell Bill appropriation for street resurfacing projects
- 5) \$ 77,600 - Electric Utilities now being charged to the various departments that had not been previously budgeted
- 6) \$ 11,800 - 2013 Municipal Election expenses
- 7) \$ 25,000 - Electric Substation Maintenance and Utility Pole Replacement
- 8) \$ 30,000 - Electric Transformer (Industrial size)
- 9) \$117,172 - Purchase of Wholesale Electricity
- 10) \$ 4,000 - Cemetery Survey and Mapping Software
- 11) \$25,000 - Planning Grant for W/S Projects (Waterline Replacement)
- 12) \$28,000 - Electric and Water Meters / Handheld meter reading devices
- 13) \$12,300 - Improvements to Community Building and City Hall (Painting, etc.)
- 14) \$11,700 - Police Separation Allowance (retired Police Chief's)

The city's tax rate of \$.46 per \$100 valuation is projected to remain at \$.46 for the 2013-14 Fiscal Year.

Other than the proposed 5% increase in electric rates, there are no other fee increases proposed, such as water and sewer and city property taxes.

It is projected with this proposed budget the city should find itself with a more solid financial foundation. While revenues have increased slightly through payoffs of previously budgeted capital projects and additional revenue sources, such as the sale of city property, increased state shared revenue sources and enforcement of city collection policies, expenditures have been kept in check as well. Budgeted expenditures are in place to ensure the delivery of adequate services to our most valued commodities, our residential and business community.

It is estimated the proposed budget fund balances at the end of the 2013-14 Fiscal Year (June 30, 2014) may be:

- 1) General Fund 10.55% Undesignated (Without Powell Bill)
 22.33% Undesignated w/Powell Bill

- 2) Electric Fund 6.85%

- 3) Water/Sewer Fund 32.37% (Includes one-time Black Dot contribution in excess of \$400,000)

Mr. Blackburn stated that there will also be a position established in the public works department that will separate the duties between our current Public Works Director and the new employee. The Public Works Director Brandon Abernathy will over see the electric utilities and the water and sewer utilities. The new employee will over see the operations of street, sanitation, and recreation. Mr. Blackburn feels like this will benefit our greatest commodity, our citizens. Mr. Blackburn feels like the city will be in much better shape on June 30, 2014 if we experience no natural disasters.

Councilmember Campbell shared that he does not like everything about the budget, but he did thank staff for doing a good job on putting it together.

Mayor Austell was not clear on everything that Mr. Blackburn shared but he wanted it made clear that the 5% increase we did not take last year, was absorbed by the city.

Mayor Pro Tem Dalton shared that Electricities passed on \$260,000 worth of increase and the city absorbed that increase. This year they are increasing another \$284,000. This is where the 5% increase is coming from.

Councilmember Kiser thanked Mr. Blackburn and Dixie Wall for there hard work on this budget.

Councilmember Parker shared that he has talked to realtors in town that say they have tenants that move out of town over high power bills. He shared that he appreciates the hard work that staff is doing. Councilmember Parker stated that 1/3 of our town does not pay power bills and he does not feel like it is right to only go up on the electric and not the water and sewer fees as well. Councilmember Parker feels like the city keeps raising rates on the lower and middle class residence and it is not fair. He also stated he does not have the answer but he does feel like 2/3 of the town is not being treated fairly. He feels like the 1/3 of citizens that don't pay for electricity is setting back and laughing at the ones that do pay it. Councilmember Parker shared that the city should look at a tax increase or a water and sewer increase. He feels like the city is taken advantage of 2/3 of the citizens just to make a budget and it's not right.

Mayor Pro Tem Dalton shared a bill with the citizens pointing out the increase in electric with a 5% increase. He then pointed out the amount of an increase if the city were to raise the electric, the water and the sewer. The customer with electricity would end up paying more by increasing all three services. Councilmember Dalton stated that the city would need to raise the tax rate 9% to cover the cost of the increase in electricity. Mayor Pro Tem did share that the increase will be with the city for several more years to come and we have got to figure out the best way to cover the cost. He also shared that the employee's need to be addressed as well. The city employees will not be getting a raise

this year but next year it needs to be looked at. He feels like every employee may not need to be addressed because some are paid very well, but some that are paid low amounts need to be looked at. Mayor Pro Tem Dalton shared that these employees cannot continue to survive on what they make. He also shared that he was thankful for these employees and he knows that they get hit really hard a lot. He stated that these employees are some of the hardest workers. They are the ones that make sure our garbage is picked up.

Mr. Rodney Bowyer of 305 Mark Street approached the podium and expressed his concern that Mayor Austell had asked him to look into an issue about the less fortunate in our community. Mayor Austell did remember asking Mr. Bowyer to look into this. Mr. Bowyer stated that he had mentioned to Councilmember Dalton earlier in the day a possible solution to the problem. He feels like his idea would be a barometer that the Council could go by to help people out. Mr. Bowyer feels like customer's that make \$500.00 or less a month should not be affected by the increase in electricity, customer's that make up to \$1,000 a month should only pay a percentage, and customer's they make over \$1,000 should pay the full increased amount. Mr. Bowyer shared that Councilmember Dalton's concerns with his idea were would we get the amount that we need to cover the customer's that will pay no increase. Mr. Bowyer did not have the answer and Councilmember Dalton shared that someone would have to make up the difference somewhere. Mayor Austell shared that no one is going to pay more for someone else to pay less. Mr. Bowyer feels like it is not the perfect solution but it is something to look at. Councilmember Dalton would like to see the city have a plan in place to help the less fortunate. He would like to have a program in place where a customer can choose to pay more on their utility bill and the difference would go into a kitty to help those in need. Mr. Bowyer agreed and shared that we could put a flier in the utility bills letting customer's know that we have the program. Councilmember Dalton shared that it would be a hard program to track for the finance department. Mayor Austell thanked Mr. Bowyer for stating his idea before Council, but stated that we need to get this budget passed by the end of June. City Attorney Huffstetler stated that if this was something the city was interested in he would take a closer look at it. Councilmember Dalton stated that when he and Councilmember Parker came into office there was a utility debt in the amount of \$80,000. He shared that the city did not do any customer's any favors by letting them get that far behind. The policies are now being followed and the debt is down to \$3,600.

Mayor Pro Tem asked for a motion to exit the public hearing. Councilmember Kiser made a motion to leave the public hearing and Councilmember Parker seconded the motion. The vote was unanimous.

Mayor Pro Tem then asked for a motion to adopt the FY 2013-2014 Budget. Councilmember Campbell made a motion to adopt the FY 2013-2014 Budget. Councilmember Kiser seconded the motion and the vote was 3 for and 1 opposed. Councilmember's Kiser, Campbell, and Dalton voted to adopt the budget and Councilmember Parker opposed adoption of the budget. The FY 2013-2014 Budget was adopted.

Mayor Austell thanked staff for all the time that was put into this budget. Mayor Austell also shared that he wanted to point out to those citizens present that this budget also absorbs the 5% increase that we absorbed last year as it continues to move forward as an expense to our city. He also thanked the Council for coming together to work on this budget. Mayor Austell then left the meeting by phone.

ITEM #10 OTHER BUSINESS:

Mayor Pro Tem Dalton recognized Carolyn Reynolds a citizen at the meeting and the grandmother of Drew Reynolds. He shared that Drew was plays baseball at East Carolina and was recently named to First Team All Conference, name to the All Tournament Team, and was named a second team All American. Councilmember Campbell made a motion to present a resolution to Drew Reynolds. It was seconded by Councilmember Parker. Vote was unanimous.

ITEM #11 ADJOURNMENT:

Mayor Pro Tem Dalton asked for a motion to adjourn the City Council meeting. Councilmember Campbell made a motion to adjourn the meeting. Councilmember Kiser seconded the motion and the vote was unanimous. The meeting adjourned at 8:15 pm.

Adopted this 8th day of July, 2013.

Robert Austell
Mayor, Robert Austell

Paige Green
City Clerk, Paige Green

