

**CITY OF CHERRYVILLE**  
**REGULAR CITY COUNCIL MEETING**  
**MONDAY MARCH 10, 2014 @ 7:00 PM**  
**CHERRYVILLE COMMUNITY BUILDING**

The Honorable Mayor H.L. Beam called the City Council meeting to order at 7:00 pm. Present was Councilmember Kiser, Councilmember Dalton, Councilmember Puett and Councilmember Parker. Also present was City Manager Ben Blackburn, City Clerk Paige Green, City Attorney Palmer Huffstetler Jr., Public Works Director Brandon Abernathy, Police Captain Cam Jenks, EDC Director Richard Randall, Planning & Zoning Director Richard Elam and Finance Director Dixie Wall. Michael Powell was present for media coverage.

Reggie Walker gave the invocation and it was followed by the Pledge of Allegiance.

**MAYOR'S COMMENTS:**

The Honorable Mayor Beam welcomed everyone to the meeting and thanked them for their interest in the City of Cherryville. Mayor Beam shared that on February 28, 2014 he Councilmember's Dalton and Kiser and other staff attended the sentencing of former finance director Bonny Verley Alexander in Federal Court. Mayor Beam read the impact statement to the citizens that he read to the court. It was as follows:

The Honorable Robert J. Conrad  
United States District Court  
Western District of North Carolina  
235 Charles R. Jonas Federal Building  
Charlotte, North Carolina 28202

February 28, 2014

Re: United States v. Bonny Verley Alexander  
City of Cherryville  
Victim Impact Statement

To the Honorable Robert J. Conrad,

My name is H.L. Beam III and I am the newly elected Mayor of Cherryville.

Please forgive me your honor if I appear somewhat shaken today. I never in my

life would have imagined I would need to address a federal judge in a sentencing hearing regarding the criminal embezzlement from our City in the amount of four-hundred-thirty-five thousand, two-hundred and ninety four dollars by the city's former Finance Director, Mrs. Bonny Verley Alexander.

Until the recent investigations involving a small number of city employees, our city appeared to be as close to the fictional image of Mayberry as could expect. In fact, many people who have lived here or even passed through our little town commented on how idyllic the town was. The trust shared by neighbors and citizens alike extended to those who served them within the city government. Our citizens believed they could depend upon their city leaders and officials to act responsibly and with integrity.

Corruption was a foreign term to the people of Cherryville.

In January 2013 when Mrs. Bonny Alexander entered guilty pleas to five (5) counts of embezzlement from her employer, the City of Cherryville. I must add not just her employer, but embezzlement and theft from every citizen, over 3,000 utility customers. and numerous staff members in Cherryville.

When the actions of these certain ones were revealed to the city. Our city learned they had paid for Mrs. Alexander's luxury cars, exotic international vacations, jewelry, household furnishings, and plastic surgery. She used city funds, acquired through the hard-earned tax dollars and utility payments of Cherryville citizens, to support a lifestyle that exceeded her salary of approximately Fifty Thousand Dollars per year. Mrs. Bonny Alexander embezzled four-hundred-thirty-five thousand, two-hundred and ninety four dollars from the City's finances by abusing our payroll and checking accounts, additionally committing numerous felonies of forgery and uttering. This is the amount we ask that the Court consider in restitution.

However, to characterize Mrs. Bonny Alexander's actions in purely financial terms would be a grave disservice to the far-reaching consequences of her actions. Since Mrs. Alexander's criminal actions were exposed, the following has occurred and continues to this very day.

> Financial constraints imposed by Mrs. Alexander's actions have hampered city services, delaying repairs and replacement of aging city infrastructure and equipment.

> Good people concerned about their utility statement are now questioning the integrity of hard-working city employees. As a result, our employees are now spending countless time and labor reviewing these inquiries which continue to increase.

> Our city coming within one month of collapse and becoming insolvent because of a lack of finances to continue its operations.

> The City's risk and liability insurance carrier cancelling their coverage, not for the acceptable excuse of a number of claims filed, but because of the negative publicity surrounding our city.

> City employees, while often in the company of their spouses and children, are publicly ridiculed and accused of engaging in common thievery. One example in particular relayed to me, was a father dressed in his city uniform was standing with his son by his side when a citizen passed by and made a comment, the son with tears in his eyes, broken heartily looked up at this father and said, "Daddy did that stranger just call you a thief?".

These are but a few of the costs of Mrs. Alexander's and others' actions, taxed upon the shoulders of the citizens and staff of the City of Cherryville.

Your honor, if you were to allow me to address the defendant, Mrs. Bonny Alexander, today, I would wish to ask her one thing--"Tell me why?...Were the monies you stole from our city for a spouse with a terminal illness and the long-

term financial burdens one would have to shoulder? Was it because of alcohol, drug, gambling or other addictions?

Was it for the unexpected loss of a loved one's job and income and financial ruin?

Was it for the costs of providing a college education to someone without the assistance of financial aid?

None of these reasons validate or excuse what is blatant and admitted theft.

But please don't tell me it was for the purchase of luxury cars....Don't tell me it was for international vacations....Don't tell me it was for diamond rings and other expensive jewelry...Don't tell me it was for refurnishing your home and a vacation beach house because the "old stuff just wasn't as pretty anymore" .....Don't tell me it was for shopping excursions for the latest designer clothing....Don't tell me it was the cosmetic surgeries you received....Don't tell me it was for a lifestyle that your city salary, paid by the honest, decent and hard-working citizens could not provide.

Your honor, Mrs. Alexander's and others' breach of the public trust has left an indelible stain on the fabric of our good and decent community. She blatantly and publicly shows absolutely no remorse or regret for her actions. Her continued and public appearances in our small town is a slap in the face of every citizens she encounters.

Your Honor, the City of Cherryville and its citizens respectfully and rightly request payment and restitution of \$435 thousand two hundred and ninety four dollars admittedly taken by Mrs. Bonny Alexander.

Mrs. Alexander's breach of the public trust will affect the city's finances and reputation for a significant amount of time. Your Honor, you have several opportunities before you today. With your sentencing of Bonny Alexander, you can provide some sense of closure to a dark chapter in Cherryville's history. Further, the City asks that you consider every measure available to Court in the

form of restitution-----the monies stolen by Bonny Alexander belong to the citizens and taxpayers of Cherryville. We ask that the Court order their return.

Last, we ask that the Court, as best it can, restore the trust of our citizens in its government by inflicting the maximum of all possible penalties upon Mrs. Alexander. Given the financial theft to which she has acknowledged, given her gross misuse of public trust and responsibility, and finally given her blatant disregard and disrespect for the citizens of Cherryville, we feel these requests are certainly fair and just.

Let public servants, in Cherryville as well as other municipalities know that a breach of their sacred oaths to serve will carry grave consequences.

Thank you for your time, your Honor and on behalf of all 5,804 citizens of Cherryville who were all victims of this criminal activity, I would like to thank you for your assistance in maintaining our faith and trust in the great judicial system of our great country.

Sincerely,

Mayor H.L. Beam III

Following the reading of Mayor Beam's impact statement, Councilmember Dalton shared the impact statement that he read. It is as follows:

My name is Brian Dalton and I currently serve on the Cherryville City Council. I appreciate the time to speak on behalf of the citizens of Cherryville.

The population in Cherryville, NC was 5,804 in 2012. The criminal acts of Bonnie Alexander affected 5,803 of those citizens in a negative manner. You may ask how it affected that many citizens. Every citizen or house hold has been forced to pay higher utility rates because of Mrs. Alexander stealing the taxpayer's dollars. Every City of Cherryville Employee has suffered because of Mrs. Alexander stealing the taxpayer's dollars. The confidence the citizens had in their local government has been severely damaged because of Mrs. Alexander stealing the taxpayer's dollars. Citizens have been forced on many occasions to have unacceptable water because the funds were not available to repair aging infrastructure. This was also because of

Mrs. Alexander stealing taxpayer's dollars. This is just a few examples of the consequences of Mrs. Alexander's actions.

While Mrs. Alexander was stealing a lot of good and honest people were suffering. Mrs. Alexander was able to take exotic vacations, drive high price vehicles and buy expensive gifts for family members by stealing taxpayer's dollars.

I want to let Mrs. Alexander know that the City of Cherryville is a lot bigger than any one person. Mrs. Alexander you came extremely close to bankrupting the City of Cherryville. The place I and many others love to call home. When I was elected in November of 2011 the City of Cherryville had approximately \$36,000 in the bank, not enough to meet payroll. This was also because of Mrs. Alexander stealing the taxpayer's dollars. As of yesterday the City of Cherryville had \$1,598,903.10 in the bank. I tell you this so you understand that the City of Cherryville is and will recover despite the horrible crimes Mrs. Alexander committed.

I want to close by asking this honorable court to take strong consideration for the 5,803 citizens that suffered because of Mrs. Alexander stealing taxpayer's money. I ask that Mrs. Alexander be forced to sacrifice and fully understand the situation she put the other 5,803 citizens of Cherryville in and impose punishment on Mrs. Alexander that is just for those who suffered the most, the honest and hardworking taxpayer.

Mayor Beam also commented that he feels like the impact statements made a difference on the sentencing. Bonny Verley Alexander pled guilty to five counts of program embezzlement for misappropriating funds. Mrs. Alexander was sentenced to two years in Federal prison, three year's supervised release, and was order to pay back the \$435,294.17 that she embezzled from the citizens of Cherryville. Mayor Beam shared that not all citizens are happy with the sentencing, some wanted to see more prison time. The City of Cherryville is happy to say that we are going to recover the \$435,294.17.

#### **APPROVAL OF MINUTES:**

Councilmember Parker made a motion to approve all three sets of minutes from the February 10<sup>th</sup>, and February 24<sup>th</sup> work session and closed session meetings. Councilmember Kiser seconded the motion and the vote was unanimous.

#### **CITIZENS TO BE HEARD:**

Walter Ballard of 610 W. Church Street approached the podium and shared his opinion of where he feels the restitution money of \$2,350 a month from Bonny Alexander should be put. He feels a large portion of the money should go in the power bill fund to help out with expensive cost. He pointed out that we have three more raises from Electricities coming. He stated that this money came out of the power bill fund in past years before Mr. Parker and Mr.

Dalton were on the council. He shared that it was a regular service to take money out of the power bill fund to make ends meet and odds are some of the money went into Mrs. Alexander's pocket. Mr. Ballard stated that there are a lot of people suffering with high power bills and will continue to suffer. He shared this money will help reduce an increase in power bills and it would make a big difference for some.

Mr. Ballard also commented that about six or eight months ago he made a comment about maintenance on city vehicles. He wanted to know if the vehicles were on a rotation for maintenance. He was curious to know if anything had happened with this because he knows that several of the guys he talks to have told him that if they get maintenance on their vehicle they have to take the vehicle in and do the maintenance themselves. Mr. Ballard pointed out that the infrastructure also includes the up keep of the police cars, work trucks or any other city vehicles that need regular routine maintenance. He stated that if this maintenance is not done the citizens are the ones that end up being punished for it because it's the citizen's tax dollars that have to purchase new ones.

City Manager Ben Blackburn shared that the city does have a maintenance routine. Mr. Blackburn also told Mr. Ballard that he would like to speak with him after the meeting about the individual cases he knows about because he needs to be made aware of them as well.

Mayor Beam thanked Mr. Ballard for coming to the meeting and being interested in the finances of the City of Cherryville. Mayor Beam shared that nothing has been decided yet for the upcoming budget. This will be addressed at the upcoming budget meeting. Mayor Beam commented that the city will be collecting \$2,350 per month from Mrs. Alexander and there are several ways the money can be appropriated. Mayor Beam shared that all of it will not go back into the electric fund because all of Cherryville's citizens are not on city power and Mrs. Alexander stole from all of the citizens.

Mr. Ballard commented that if he has figured correctly that it will take Mrs. Alexander 11 to 12 years to pay the City of Cherryville back what she embezzled.

Mr. Blackburn commented that 11 to 12 years is correct.

#### **PRESENTATION OF EAGLE SCOUT PROJECT, JOSH GARREN TROOP 78:**

Mr. Josh Garren of Scout Troop 78 approached the podium and addressed the Mayor and City Council sharing with them that he would like to do his Eagle Scout project at the corner of Pink Street and Church Street at Veterans Park. Josh explained that he would like to place five benches in the area honoring each branch of the military. He plans to fill the area with gravel and a plaque for a rededication ceremony he will hold honoring all veterans.

Councilmember Puett is on the ladies auxiliary of the American Legion and she shared with Josh that she is looking forward to working on this project with him.

Mayor Beam and all the Councilmember's thanked Josh for his achievements and what he is doing for his community.

**PUBLIC HEARING – A TEXT AMENDMENT AS REQUIRED PER NC HOUSE BILL 276 TO PART 15 OF THE CITY OF CHERRYVILLE ZONING ORDINANCE, RICHARD ELAM:**

Mayor Beam asked for a motion to enter into a Public Hearing. Councilmember Puett made a motion and it was seconded by Councilmember Kiser. Vote was unanimous.

Planning & Zoning Director Richard Elam approached the podium and shared that the North Carolina State Legislature recently enacted Session Law 2013-126, (House Bill 276), "An Act To Clarify and Modernize Statues Regarding Zoning Boards of Adjustments." The significant changes to the City of Cherryville Zoning Ordinance (Part 15, Section 15) are necessary to conform to the new legislation include Amending Section 15.3 Variances, and Amending Section 15.5 Application Procedure. Mr. Elam had the documents prepared and in the Mayor and Council's agenda packages for review. Mr. Elam shared that staff's recommendations were to amend the Zoning Ordinance.

Councilmember's Kiser made a motion to leave the Public Hearing. Councilmember Parker seconded the motion and the vote was unanimous.

Councilmember Kiser made a motion to adopt the changes as written. Councilmember Dalton seconded the motion and the vote was unanimous.

**CONSIDERATION OF INTERLOCAL AGREEMENT BETWEEN CITY OF CHERRYVILLE AND GASTON COUNTY, RE: TAX COLLECTIONS, BEN BLACKBURN:**

City Manager Ben Blackburn addressed the Mayor and Councilmember's explaining to them that Gaston County has been collecting our taxes but beginning 2013-2014 fiscal year there is a proposal for Gaston County to start charging municipalities for this service. This agreement would cost the City of Cherryville \$7,600 annually. Currently the city could not do the collections for that amount. The County will make daily deposits in our account so interest can build on what's collected.

Councilmember Parker wanted to know if the County could raise this rate. Mr. Blackburn shared that they could not go up for seven years.

Councilmember Dalton commented that we need to keep an eye on what is being deposited.

Councilmember Dalton made a motion to approve the interlocal agreement. Councilmember Kiser seconded the motion and the vote was unanimous.

**CONSIDERATION OF CODE OF CONDUCT FOR CITY EMPLOYEES, BEN BLACKBURN:**

City Manager Ben Blackburn addressed Mayor Beam and the Council explaining to them that in their agenda package they have a Code of Conduct. It has been prepared for city employees to read and sign saying they understand and will abide by the Code of Conduct.

Mayor Beam asked if the City of Cherryville currently has a code of conduct. Mr. Blackburn shared that the police and fire departments have a code of conduct in their SOP (Standard Operating Procedures) manuals.

Mayor Beam wanted to know if this would apply to all employees. Yes it will

Councilmember Dalton shared that this is a way for employees to know their boundaries. He commented that this will be renewed annually.

Councilmember Puett made a motion to approve the Code of Conduct. Councilmember Kiser seconded the motion and the vote was unanimous.

**CONSIDERATION OF CEMETERY BOARD APPOINTMENT, COUNCILMEMBER DAVID KISER:**

Councilmember Kiser explained that due to the recent passing of Ms. Ollie Lineberger a new committee members needs to be appointed to the Cemetery Committee. Former Councilmember Rick Campbell was liaison for this committee when he was on the council and he was able to be a part of getting several big projects that have been started in the cemetery. Mr. Campbell would like to be a committee member so that he can continue to work on these projects and see them through. Councilmember Kiser made a motion to appoint Rick Campbell to the Cemetery Committee. Councilmember Dalton seconded the motion and the vote was unanimous. Rick Campbell's term will end January 2016.

**CONSIDERATION OF CONTRACT BETWEEN THE CITY OF CHERRYVILLE & CHERRYVILLE CHAMBER OF COMMERCE RE: CHERRY BLOSSOM FESTIVAL, RICHARD RANDALL:**

EDC Director Richard Randall approached the podium sharing that this year there will be beer sales at the Cherry Blossom Festival. A contract is before the Mayor and Council between the City of Cherryville and the Chamber of Commerce with the stipulations that the City is expecting.

Mayor Beam shared that he has received comments about the beer sales and what he has tried to emphasize to citizens is that this ordinance has been in effect since August 12, 1996. Mayor Beam shared that no one has ever asked to have alcohol at a City function. He continued to say alcohol has been a part of the festivals all along and this is a way of policing it.

Mr. Randall shared that this has been talked about for many years with the Council formally and informally. There is alcohol at the festival and the Chamber has received numerous request to have alcohol because others around us have controlled alcohol sales and it is working for them. Mr. Randall mentioned that Chief Hawkins has had hands on experience in Gastonia and his department is up on this as well. Mr. Randall shared that it has been a learning experience for the Chamber and they are trying to do it right and respond to the request of the people.

Councilmember Dalton asked Mr. Randall if he and Chief Hawkins had discussed or come to an agreement about an off duty officer?

Mr. Randall shared that they have not discussed it at this point.

Councilmember Dalton thinks that we need an off duty officer at least for the first year. He feels like if you are going to keep people in a certain area, it will need to be policed.

Mayor Beam shared that the citizens perceived that people will just walk down the street with liquor and that is not at all how it will be. Mayor Beam shared that a lot of citizens were against having a liquor store in Cherryville and a lot of people spoke against it. It wasn't a matter of if you could get liquor in Cherryville, you could get liquor 24/7 in Cherryville if you wanted it. Now by having a liquor store, liquor sales are controlled. The store has done that and Mayor Beam sees the beer garden the same way. Mayor Beam asked Mr. Randall where he was planning on putting the beer garden?

Mr. Randall responded by saying it would be in the back alley behind Edward Jones. Standard Distributors will be here Wednesday to look at the area. Mr. Randall also added that the Chamber is not trying to promote alcohol but trying to provide a good festival for everyone. Mr. Randall had talked to others around us that have similar festivals and sale alcohol and they don't have any issues with alcohol.

Mr. Randall shared that the dates on the contract need to be changed to the 25<sup>th</sup> and 26<sup>th</sup>.

Mr. Blackburn shared that another matter that needs to be decided is the times.

Mr. Randall shared that alcohol sales will begin at 5:00 pm on Friday and end before 10:00 pm On Saturday alcohol will not be sold until 4:00 pm and will end by 8:00 pm.

Councilmember Dalton made a motion to approve the contract with the Chamber of Commerce with the amended dates and hours. Councilmember Puett seconded the motion and the vote was unanimous.

#### **CONSIDERATION TO SET A DATE FOR BUDGET WORKSHOP, BEN BLACKBURN:**

Mayor Beam shared that a date has been set for this workshop. April 8<sup>th</sup> has been decided on between Mayor Beam and the Council. Councilmember Dalton made a motion to set a

special meeting for a budget workshop on April 8<sup>th</sup>. Councilmember Kiser seconded the motion and the vote was unanimous. The time will be 9:00 am and will be held at the CFD in the training room.

**OTHER BUSINESS:**

Mr. Blackburn shared that he will be meeting with Mr. Andrew West tomorrow about Small Town Main Street and their next year's fiscal budget.

Mr. Blackburn also shared that the new sidewalk that will be installed on Church Street between Pink Street and Hoyle Street will begin in the next few weeks.

Mayor Beam thanked all the citizens for coming to the meetings as well as the media.

**ADJOURNMENT:**

Councilmember Kiser made a motion to adjourn the meeting. Councilmember Parker seconded the motion and the vote was unanimous. The City Council meeting adjourned at 7:55 pm.

Adopted this 14<sup>th</sup> day of April, 2014.

*H. L. Beam*

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Mayor, H.L. Beam

*Paige H. Green*

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City Clerk, Paige H. Green

(SEAL)