

CITY OF CHERRYVILLE
WORK SESSION MEETING
MONDAY FEBRUARY 25, 2013 @ 3:00 PM
CHERRYVILLE FIRE DEPARTMENT
TRAINING ROOM

Mayor Austell called the meeting to order welcoming everyone. Present were Councilmember's Brian Dalton, Rick Campbell, Malcolm Parker, and David Kiser. Also present, City Manager Ben Blackburn, City Clerk Paige Green, City Attorney Palmer Huffstetler, Finance Director Dixie Wall, Interim Police Chief Cam Jenks, new police officer Joshua Colvard, Public Works Director Brandon Abernathy, Fire Chief Jeff Cash, and EDC Director Richard Randall. Present from the Cherryville Eagle was Mike Powell.

ITEM #1 CONNECT CONSORTIUM APPOINTMENTS – MAYOR AUSTELL

Mayor asked the Council if they had considered any names for this program. City Manager Ben Blackburn said that the program is usually made up of the City Manager and the Planning and Zoning Director. Councilmember Dalton asked when the meetings would be. Ben said the meetings will be announced but nothing set at this point. Mayor Austell said that citizens were allowed to be appointed also. Mayor Austell asked if any councilmember's were interested. Councilmember Dalton made a motion to appoint citizens and it was seconded by Councilmember Campbell. Vote was unanimous.

ITEM #2 WILL BE SKIPPED UNTIL AFTER ITEM #3 IS DISCUSSED.

ITEM #3 AUDIT REPORT – DARRELL KELLER

Darrell Keller approached the Mayor and Councilmember's with a report on the audit. Mr. Keller handed out the audit report and also shared information on a flip chart. He explained the funds and did a comparison with the current audit and the previous audit. Mr. Keller pointed out that it was a benefit to the city that no new debt was picked up in the past year and that some debt would be paid off this year. Mr. Keller provided the Mayor and City Council with a hand out explaining how the LGC figures fund balance totals. He told everyone to look over the audit and if they had any questions to give him a call. He would be glad to set down with anyone and discuss any questions or concerns they may have. Mr. Keller will also present this at the next City Council meeting.

Mayor Austell thanked Mr. Keller and told him that this audit was unacceptable from a financial stand point. Mayor Austell pointed out that this audit was unacceptable for many reasons, some that were beyond the city's control. He also mentions how much better the funds look this year verses last years first seven months.

Councilmember Dalton said that he is embarrassed that his name is on this budget. He understands that we are moving forward and headed in the right direction but he is still embarrassed by the budget. He asked the two councilmember's and the Mayor where it went wrong. He pointed out that they had a part in this budget.

Councilmember Parker asked Mr. Keller if he saw any discrepancies in years past. Mr. Keller said that he did share his concerns with David Hodgkins every year. When this was discussed with David Hodgkins, he told Mr. Keller that steps were being taken to make cuts and blame was put on poor revenue budgets.

Mayor Austell feels like he and the Councilmember's were never given true numbers to look at. They were not given financial statements like they are receiving now.

Councilmember Parker asked Mr. Keller if he was going to audit only what he is given by the city. Mr. Keller told Mr. Parker that what he randomly selected items to audit, that it was not up to the city as to what he audited. Mr. Keller explained that his audit was not a forensic audit. Mr. Keller told the Council that he looks at what has been budgeted, what has been spent and what was budgeted the year before. Mr. Keller said that 60 checks at random are selected to be looked at. Random deposit slips are looked at and random bank statements are looked at. Councilmember Dalton asked how realistic the numbers could be if all the bank statements are not looked at.

Mayor Austell explained that the payroll that Mr. Keller looked at was not the payroll that went to the bank. The former finance director Bonny Alexander was sending a different amount to the bank that no one ever saw. For this reason we have an audit committee in place. Councilmember Dalton asked if the former finance director was the only one that ever looked at the bank statements. Mr. Keller commented that he did share with David Hodgkins that he needed to look at the bank statements and he needed to sign off on them stating that he had looked them over. Mr. Keller said that as of December 2011, the bank statements had not been reconciled since July 2011. He commented that he would see one or two statements with Mr. Hodgkins initials on them but not all of them.

Councilmember Parker feels like the auditor should report anything that he sees to more than one person. Councilmember Parker feels like the Council should know about it.

Mr. Keller expressed that he was glad to see that the city has an audit committee formed and looks forward to working with them.

ITEM #2 CHAMBER OF COMMERCE BOARD OF DIRECTOR APPOINTMENTS RICHARD RANDALL

Richard Randall approached the Mayor and Councilmember's explaining to them the appointments to the Chamber of Commerce. He explained that the Chamber is made up of 13 members, six being elected by the Chamber and six being appointed by the City Council. The terms are for three years each and are staggered, requiring the election or appointment of four new members each year.

Councilmember Campbell made a motion to appoint John Rudasill and it was seconded by Councilmember Kiser. Vote was unanimous.

Councilmember Parker made a motion to appoint Allen Eaker and it was seconded by Rick Campbell. Vote was unanimous.

Councilmember Parker made a motion to appoint David Moss as an alternate member and it was seconded by Councilmember Kiser. Vote was unanimous.

ITEM #4 FINANCIAL UPDATE – DIXIE WALL

Dixie went over the financial handout that was in the packages. Everyone was pleased to see that the funds the first seven months of this budget year were much better than the funds for the first seven months of last year. Everyone was encouraged to keep up the good work.

Councilmember Dalton asked when the cut off date was for spending. That date will be April 15.

Jeff Cash gave an update on the Gatzka Marble building that caught on fire the night before. The building was a total loss and the cause of the fire is being investigated.

Richard Randall shared that the EDC has contacted the Gaston County EDC commission about helping the displace workers get back to work soon.

ITEM #5 UPDATE ON DEPARTMENT OF CORRECTIONS PROGRAM – BRANDON ABERNATHY

Brandon explained that this past Friday ten city employees took a class that is required for working with the inmates. He stated that there are two more classes that are needed before we can get the inmates in our community. A short term contract has been put in place so that the training could get started. Mayor Austell told Brandon to make sure that any contracts are approved by council. Mayor Austell feels like the program is a good one for the community. This will be put on the March agenda.

ITEM #6 CONSIDERATION OF NCLM TOWN HALL DAY – BEN BLACKBURN

Ben shared with everyone that the NCLM Town Hall day would be held on March 27, in Raleigh. Mayor Austell said that he would be in attendance and encouraged anyone else to go if they wanted to. Councilmember Kiser said that he would be able to attend. Anyone interested in going to let City Clerk Paige Green know as soon as possible so the reservations can be made.

ITEM #7 CONSIDERATION OF SETTING A SPECIAL MEETING REGARDING 2013 – 2014 BUDGET – BEN BLACKBURN

Ben asked the Mayor and Council about setting a meeting in March for discussion of next year's budget. Ben explained that the meeting will be for any considerations that they may have for the budget. Ben plans on meeting with the department heads and going over their budgets to present to the Mayor and Council. A meeting will be set at the March meeting. This will be placed on the March agenda.

Mayor Austell asked Ben to get a list together of streets that need to be paved so the Council can approve the streets.

ITEM #8 CONSIDERATION OF SEWER EXTENSION, 200 W BALLARD STREET BRANDON ABERNATHY

City Manager Ben Blackburn shared with everyone that Dr. & Mrs. Kenneth Cloninger came to him about a sewer issue. The Cloninger's sewer line crosses Ballard Street, crosses their neighbor's property, goes under the neighbors driveway then under their garage and then it feeds into the city main on Elm Street. The only customer that is affected by this sewer issue is the Cloningers. They are experiencing problems because the sewer line is so old and it is caving in. Ben presented the Mayor and Council with an estimate from Czerr Construction on replacing this line. Brandon shared with the Mayor and Council that this is a very unusual case. It is unusual because it would be difficult for Dr. Cloninger to replace this line because of the way the line was originally placed in the

ground. Ben wanted to talk to the Cloninger's about this estimate but wanted to give a copy to the Mayor and Council for information only.

OTHER BUSINESS

Councilmember Parker has received some complaints about our city sanitation workers are going through our citizens trash cans. He is concerned about personal things that are put in the hobos. Councilmember Dalton shared that the law states anything that is on the side of the road by a citizens becomes public property. Brandon made it very clear that city employees should not be going through garbage on the clock. He will talk to the sanitation workers about this issue.

Councilmember Kiser asked where we stood with taking down the clock. Brandon gave an update on the clock by letting everyone know a plan was going to be put together about the safest way to remove the clock. These plans will be made soon.

Mayor Austell asked Ben to bring information to the table about water and sewer grants during the budget planning. The Mayor feels like we do have some places in town that need immediate attention.

Ben asked Interim Police Chief Cam Jenks to introduce the newest member of the police department. Cam introduced Joshua Colvard who was hired on February 25, 2012. Josh is a patrol officer that came to the City from the Gaston County Sheriff's Office with twelve years experience.

Dennis Neill wanted to know how much we owe Electricities. The answer was twenty two million. Mr. Neill also asked if Electricities metered our usage. Mayor Austell answered yes.

ITEM #9 CONSIDERATION OF ENTERING INTO CLOSED SESSION PER N.C.G.S. 143-318.11 (A) (5)

Mayor Austell asked for a motion to go into closed session. Councilmember Kiser made a motion and it was seconded by Councilmember Dalton. The meeting entered into closed session.

Mayor Austell announced that the closed session is over and he also announced that the issue discussed in closed session was a discussion over another offer from the Gaston County Police Department.

Councilmember Dalton shared that the County Police has offered a new proposal to the City of Cherryville. This new offer and the savings over a seven year period would be year one \$630,000.00, year two \$670,930.00 year three \$711,860.00, year four \$752,790.00, year five \$793,720.00, year six \$834,650.00, year seven \$875,580.00. Our budget currently is \$1,040,514.00 for the police department. Councilmember Dalton saw a two million dollar savings over a seven year period. He wanted to make sure the public

knew of the savings. Councilmember Dalton made a motion for this issue to go before the regular City Council meeting. No second was made and the motion died.

Mayor Austell will let the County Police know of the decision.

Councilmember Parker shared a concern about the amount that was paid back to the First United Methodist Church for a billing error. The City had to go back and give the church credit for two years. Councilmember Parker stated that the utility policy states the city will give a credit for two years and it will also collect for a billing error that may be to the customer's advantage. Councilmember Parker stated that he is a Baptist and Councilmember David Kiser is a Baptist also. Councilmember Campbell shared that he is also a Baptist. Councilmember Parker shared that the First Baptist Church has been under charged for two years on one account. He feels like it is only right to go back and collect these fees. Mayor Austell shared that he was told the First Baptist was being charged properly. Mayor Austell asked when two former employees were let go if the billing was correct and he was told that it was. Mayor Austell was concerned because of one former employee having a connection to the church.

Mayor Austell asked Councilmember Parker how much money he was talking about and Councilmember Parker responded by saying it could be close to \$30,000.00.

Councilmember Dalton stated that the City's former finance director is a member of this church.

City Clerk Paige Green shared that this billing error was realized in May 2012. Madam Clerk explained that the First Baptist Church was not being charged with a multiplier. The bill should have had a multiplier of eighty and the multiplier was one. The Methodist Church had a multiplier and should not have had one at all. The Methodist Church was over charged and the First Baptist Church was under charged.

Councilmember Parker feels like the City is obligated to go back and collect for the past two years and Mayor Austell stated that they are obligated to pay it. Mayor Austell shared that it is a state rule of two years not a Cherryville rule.

Councilmember Dalton wanted to know if the former finance director was the one that entered this rate for this bill. Madam Clerk shared that the former finance director was the only one allowed to enter these rates. Bonny Alexander is the one that placed the two check marks on the work order and this was her way of saying that the work order was complete. She placed checks on all the work orders that she completed in the system.

City Manager Ben Blackburn asked the City Council to give staff direction on setting up a meeting with First Baptist and collecting the money. Councilmember Dalton stated absolutely.

Citizen Walter Ballard asked if any other churches had been affected because if not, the former finance director could be tied to this issue for conspiracy. Mr. Ballard shared that he is also a member of First Baptist and if they were under charged then they should have to pay what was due. He also feels like the city should work with the church in collecting this money.

Mayor Austell shared that there was nothing to be considered, that the law requires this to be paid.

Councilmember Dalton said that he gets fussed at because he is on the stewardship committee at the Presbyterian Church. He also stated that all the churches needed to be looked at.

Councilmember Parker thinks that the City Manager should set down with the First Baptist Church and figure out how this can be taken care of.

Councilmember Campbell agreed saying we need to make sure the figures are right.

Councilmember Parker stated that if we do not go back and collect then we stood a chance of running into issues with other customers.

Councilmember Campbell asked if the city was charging the proper rate now. Madam Clerk shared that the rate was now correct in the computer for the billing.

Councilmember Campbell wanted to know if it was right for everyone. City Manager Ben Blackburn said that he was aware of rates being looked at for non profits.

Councilmember Kiser asked if all residential rates were the same. Councilmember Dalton responded by saying that he had helped a citizens with this same issue.

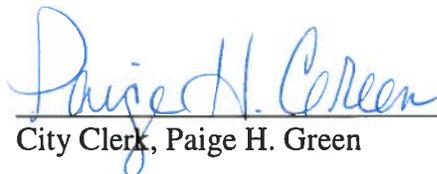
ITEM # 10 ADJOURNMENT

Councilmember Campbell made a motion to adjourn the work session and Councilmember Dalton seconded the motion. Vote was unanimous. The work session adjourned at 5:45 pm.

Adopted this 14th day of March, 2013



Mayor, Robert Austell



City Clerk, Paige H. Green

