

Mount Pleasant

North Carolina

Founded in 1848

Town of Mt. Pleasant
Board of Commissioners
Town Board Meeting
Town Hall- Commissioners Meeting Room
Monday, May 4, 2015
5:00 P.M.

Attendance: Mayor Del Eudy

Mayor Pro-Tem/Commissioner Lori Furr
Commissioner Scott Barringer
Commissioner James Sells
Commissioner Warren Chapman
Commissioner Steve Ashby
Town Administrator Randy Holloway
Town Attorney Brittany Love
Town Clerk Cathy Whittington
Fire Chief Jerry Taylor
Finance Officer Crystal Smith
Project/Events Coordinator Amy Schueneman
Public Works Director Bobby Hartsell

Also Present: Tim Reaves, Troy Barnhardt, Officer Stephen Wagoner, Rev. Vince Iocona

CALL TO ORDER

Mayor Eudy called the meeting to order.

INVOCATION

Rev. Vince Iocona led in prayer.

PLEDGE OF ALLEGIANCE

Mayor Eudy led in the Pledge of Allegiance.

PUBLIC FORUM

No one spoke in the Public Forum.

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APPROVE AGENDA

There were four (4) additions to the agenda. They are as follow #3 Walnut Street repairs, #4 Street signs, #5 Art in the Park and #6 To discuss Sidewalks. With these additions Commissioner Sells made a motion to approve the agenda. Commissioner Barringer seconded the motion with all Board Members in favor. (5-0)

CONSESNT AGENDA

The Consent Agenda consist of (1) the Minutes of the April 6, 2015 Regular Board Meeting, (2) Proclamation-Police Week May 10-16. Commissioner Chapman made a motion to approve the Consent Agenda. Commissioner Barringer seconded the motion with all Board Members in favor. (5-0)

REPORTS

- 1. Police**
- 2. Fire Chief**
- 3. Town Administrator**
- 4. Finance Officer**
- 5. Public Works**
- 6. Town Attorney**
- 7. Code Enforcement**

All reports were accepted as written.

OLD BUSINESS

There was no Old Business

NEW BUSINESS

- 1. Present FY 2015-2016 Budget for Review**

Town Administrator Randy Holloway presented the FY2015-2016 Budget for review.

The overall financial status of the Town is healthy although we continue to use some fund balance transfers for one time expenditures. Entering into Fiscal Year 2016 the Town is estimated to have an unreserved General Fund balance of \$897,587. This figure is only an estimate, as the accounts will not be finalized or audited until after July 1st. The recommended one time General Fund balance transfer of \$28,000 will result in an estimated \$869,587 remaining in the undesignated fund balance. This will represent 57.77% of the General Fund operating expenses proposed for FY-2015-16. The Town's adopted financial policy requires the Town to maintain a minimum fund balance threshold of 42% of expenses for potential emergencies. We are recommending a one-

time Water and Sewer Fund Balance transfer of \$58,500 to pay for several capital projects / expenditures. The original budget message had a recommendation for a one time Water & Sewer Fund Balance transfer of \$437,909 to pay off the loan on the North Drive Water Tank. I recommend that we do not take that action at this time with the uncertainty of the future operation and ownership of the water treatment facilities.

Revenues

Revenues continue to grow at a modest level, and we anticipate this will not change greatly in the upcoming years. Sales tax and other State Collected Local Revenues are expected to have a very modest increase in the coming year. Estimates for these revenues remain conservative.

Property values remain stable with a slight increase. The estimated tax value of the Town for FY-2015-2016 is \$134,358,000. This estimated value is down from the original estimate in the May 4, 2015 message. Cabarrus County made a mistake in the estimates, and we did not receive that correction until May 5, 2015. The General Fund Budget was lowered by \$34,018 due to the over estimation in value by Cabarrus County.

The Town has historically maintained a good collection rate, ranging between 97-98%. The projected collection rate for the upcoming year is conservatively estimated at 96% for real, personal, and public utility property and 90% for vehicles. Using the above value and collection rate, a penny on the tax rate will generate an estimated \$12,898 down from the \$13,250 estimation included in the May 4, 2015 message.

There will be a recommended increase in both the Water and Sewer rates for FY-2016. We have been notified by the Water and Sewer Authority of Cabarrus County (WSACC) that there will be a wholesale rate increase of 16% on Water and 5% on Sewer. The negotiations on the future operation of the Mount Pleasant Water Treatment Plant and the outstanding operating debt issue are on-going. The initial projected rate increase from WSACC on Water rates was projected to be 74%. That rate has been negotiated down to 16% as indicated above. The 16% includes the Town taking over some of the routine maintenance at the water facilities to include mowing, grounds keeping, dredging, etc. I recommend that the estimated cost of \$30,000 to dredge the water intake site not be included in the proposed rate increase for FY-2016. This change will result in the lower rate increase. The recommended increase for the Mount Pleasant Water Customers will be a 13% increase in Water rates and a 3% increase in Sewer rates.

Overall, the Town's revenues are steady because this budget has been approached with a revenue neutral tax rate. Estimates for State Collected Local Revenues are slightly higher based on trend and economic forecasts. We are recommending increasing the Rural Fire District rate from 8.3 cents to 10.3 cents to provide additional funding for a newly created Capital Reserve Account for the Fire Department and to provide funding for a future Fire Station addition and apparatus replacement. We are also requesting approval to move any funds remaining in the Fire Department budget at the end of the Fiscal year to this newly created Capital Reserve Account. The current budget is balanced using the current

8.3 cents rate. Should the Cabarrus County Board of Commissioners approve the request to increase the rate to 10.3 cents that additional funding, estimated to be \$74,012, will be placed in the Capital Reserve Account. The Town's budget portion of the Fire Department budget (\$165,211) is equivalent to 12.5 cents on the Town's property tax rate.

Expenditures

This year's proposed budget is \$2,514,307. In comparison, the adopted budget for FY 2014-2015 was \$2,465,073 for an increase of \$49,234. Reductions in operating cost for departments have been made wherever feasible.

The Town's required employer contribution to the Local Government Employee Retirement System will remain at 7.07% of salary. The proposed budget also includes a 2.5% cost of living adjustment for all employees and a 1% 401-K contribution. There is no performance increase recommended for FY 2015-2016. Health insurance continues to be a significant expense with a recommendation to change the coverage from a policy with a \$1,500 deductible to a \$2,500 deductible. This change will keep the insurance cost in line with the cost in the previous FY-2015 budget.

Capital reserve accounts to replace the Town's garbage truck (\$20,000) and law enforcement vehicle (\$15,000) are maintained in the proposed budget at a level of \$35,000. Maintaining this capital reserve should allow the future purchase of these vehicles without any financing costs. The budget also recommends the purchase of a heavy duty, crew cab, four wheel drive vehicle at \$64,000 for the Public Works Department. A one-time use of fund balance from both the General Fund and the Water and Sewer Fund balances is recommended. In addition, the General Fund and Water and Sewer Fund (\$19,500 each) include funds for the security improvements to Town Hall and replacement of two 18 year old HVAC units for a total projected cost of \$39,000. Utilizing pay-as-you-go to help fund capital expenses helps the Town to reduce borrowing costs and gives the Town greater flexibility.

Significant points of interest are:

1. The recommended tax rate will remain unchanged at \$0.505 per \$100 value.
2. There is a recommendation to increase the water rates by 13% and sewer rates by 3%.
3. There is a recommendation to request an increase in the Mount Pleasant Rural Fire District tax from \$0.083 to \$0.103 to provide additional funding for a newly created Capital Reserve Account.
4. There is a recommendation to change the health insurance coverage from a plan with a \$1,500 deductible to a plan with a \$2,500 deductible. This change will keep the annual cost near the FY-2015 cost. Health insurance will continue to be an issue in the future. A number of possible solutions are being evaluated and will be included in a future recommendation to the Board.

5. A pay increase of 2.5% is recommended for all employees to include part time. There is no recommendation for merit based pay at this time. There is a recommendation to start a 401-K contribution for all full time employees with a goal of increasing the contribution in future years as the budget allows. The total amount of this increase is covered by on-going reductions in the operating budget that resulted in suggestions by Town employees.
6. There is a recommendation to make the current part-time position of Project and Events Coordinator full time with benefits. Also the additional responsibilities of economic development will be added to the duties of this position.
7. There is a recommendation to add the additional responsibility of Assistant Town Administrator to the position of Finance Officer to ensure always having a decision maker in place. The Title of Finance Officer will remain as the official working title.
8. There is a recommendation to promote a current Utility Maintenance Mechanic to fill the vacant Field Operations Leader position.
9. A recommendation to amend the current Personnel Policy to pay for the health insurance benefits for current employees that retire from the Town with 20 or more years with the Town. The payment would stop at Medicare eligibility.
10. A recommendation to change the current process of providing Town issued cell phones to a stipend process that will save the Town an estimated \$3,000 per year.
11. A recommendation is included to use fund balances from both the General Fund and Water & Sewer Fund to purchase a heavy duty, four wheel drive, crew cab vehicle for the Public Works Department (\$64,000).
12. A recommendation to make significant security improvement to Town Hall and the replacement of two 18 year old HVAC units (\$39,000).

The total proposed budget for the Town of Mount Pleasant for FY 2015-2016 is balanced with revenues and expenditures of \$2,517,307 with a recommended tax rate of \$0.505 per \$100 valuation, a water rate increase of 13%, a sewer rate increase of 3% and is hereby submitted for your review and consideration.

Town Administrator Randy Holloway had a Power Point Presentation to present the budget.

Commissioner Barringer asked if we could produce water every other day to reduce cost. Town Administrator Randy Holloway stated that we could look at that. Mayor Eudy stated that when we take the plant over we could look at that, but right now the plant's owned and operated by WSACC.

Mayor Eudy asked Finance Officer and Project/Events Coordinator Amy Schueneman to draft a letter to invite the public to a meeting to be held at the Mount Pleasant United Methodist Church. Amy Schueneman checked with the church and the date of the meeting will be May 26th at 7:00 p.m.

Commissioner Chapman thanked the Town Administrator and Staff for the work that was put into the Budget.

2. Consider Purchase of Parcel of Land

The Town Administrator is recommending consideration to purchase a parcel of land located at 1431 North Main Street for \$20,000. The parcel is adjacent to the Fire Department parking lot and will give the Town the ability to expand the parking area in the future should the need arise. The site has been surveyed and is clearly marked. The closing date is set for May 7, 2015. The funding for this purchase will come from the existing Fire Department budget under item: 11-4022-720 Capital Outlay. That budget item was used for the replacement of the front apron and has \$26,640 remaining and will not require any additional funding for Fiscal year 2015.

Commissioner Ashby made a motion to approve the purchase of the parcel of land located at 1431 North Main Street for \$20,000. Commissioner Barringer seconded the motion with all Board Members in favor. (5-0)

3. Walnut Street Repairs

The Town received three bids for the repair to the pavement on Walnut Street. The Town's Staff has reviewed the bids and recommends that the bid be awarded to the low bidder, D. W. Castleberry Asphalt Paving in the amount of \$23,874. The catch basins have already been repaired by the Town's Public Work Team. Powell Bill funds will be used for this project. If approved the low bidder is ready to start the project within three weeks...

Commissioner Barringer made a motion to award the bid to D .W. Castleberry Asphalt Paving in the amount of \$23,874 for the repair of pavement on Walnut Street and the related budget amendment. Commissioner Sells seconded the motion with all Board Members in favor. (5-0)

**Commissioner Ashby left at 5:55 p.m.

4. Street Signs

Commissioner Barringer asked about the nonprofit fund raising signs that were being picked up. He asked about the possibility of allowing them to put out the signs 10 days to two weeks before the event and take them down at the end of the event.

Mayor Eudy asked if he only wanted it for nonprofit or any legitimate business in Town.

Project/Event Coordinator Amy Schueneman explained that she has talked with Andy Goodall our representative from Benchmark. He stated that the signs can be put out 2 weeks before the event and need to be taken up 3 day after the event. Amy Schueneman

has mailed a copy of these guidelines to all of the churches and it has been posted on Facebook. She also stated that the main signs that were taken up were in the NCDOT right of way.

5. Art in the Park

Commissioner Barringer stated that he attended the Art event in Concord where they shut down Union Street. He thought that would be nice to shut down Main Street from the stop light to Walnut Street but it's a NCDOT Street. Commissioner Barringer then thought about Park Drive, he stated that he has talked to one of the vendors and to Amy Schueneman. He thought maybe she could talk to the downtown Concord Commission to get a list of the vendors.

Mayor Eudy mentioned Noelle Scott with the Cabarrus Arts Council as a contact. Diane Young was also mentioned as a contact. Amy Schueneman was instructed to contact these two ladies about the getting something started. There was also mention of food trucks.

6. Sidewalks

Commissioner Chapman stated that the folks on Eagle Street, North Skyland and Page Street have asked for years for a sidewalk to connect to the sidewalk at Halifax. He stated that we can get with the folk bringing in the new apartment complex to extend the sidewalk by there and on out to Food Lion. He stated it would be good to investigate to see what it would entail.

Mayor Eudy stated that it would be expensive. He stated that by ordinance the people putting in the apartment would have to put in sidewalks. We would have to get right of ways.

Commissioner Chapman stated that also from the Methodist Church on North College down to the Animal Hospital. He stated that we could possibly work something out with the church to donate part of that and to help out with some funds.

Mayor Eudy stated that we needed to be careful. When we start to do sidewalks in one part of Town, others have asked also.

7. Set Public Hearing Date

Public hearing date was set for June 1, 2015 at 5:00 p.m.

MAYOR AND COMMISSIONERS COMMENTS

Commissioner Furr stated that she has had calls on the old mill on Highway 73. She wanted to know if there's supposed to have bushes on the frontage.

Commissioner Barringer asked about the tree stump on the Senecal Property. There is also property on Lee Street that needs mowing.

Commissioner Chapman stated that there are 3 signs on Jackson Street that need attention. Commissioner Chapman asked Public Works Director Bobby Hartsell if he would take a look at them. He also commented on the stop sign at Rhineland Court. There had been complaints about residents running the stop sign. Our officers wrote 16 tickets this past week. On the Oldenburg Facebook page there are also complaints about speeding, skate boards and ATV's.

Commissioner Sells reported that the Council meeting went well; several items that were mentioned were fire service, wellness, and child care.

Commissioner Sells asked about the fireman that was injured. Tyler Sneed broke his foot when the ladder came down on it.

Commissioner Sells asked if it was possible to get the budget on a PDF file.

Mayor Eudy reported that Mt. Pleasant night at the Intimidators went good. He would like to see more of this kind of things.

ADJOURNMENT

With nothing else to come before the Board, Commissioner Sells made a motion to adjourn. Commissioner Chapman seconded the motion with all board members in favor. (5-0)

By our signatures the following minutes were approved as submitted and amended on Monday, June 1, 2015, in the Regular Meeting.

Town Clerk Cathy Whittington

Mayor Del Eudy

SEAL