REGULAR MEETING - JUNE 3, 2013

The Mayor and City Council met in regular session on Thursday, June 3, 2013 at 7:00 p.m. in the Council Chambers of City Hall, located at 114 West Sycamore Street, Lincolnton.

Mayor Gilleland called the meeting to order and led the Pledge of Allegiance. He thanked all those in attendance for their interest in City government. The following were in attendance:

RHYNE CLONINGER HEAVNER

Councilman Hovis was absent due to health issues.

Councilman Heavner made the motion unanimously approved the Regular Agenda.

Councilman Rhyne made the motion to move Consent Agenda item #4 to the Regular Agenda.

CONSENT AGENDA unanimously approved as follows:

- Approved Minutes of the following meetings:
  March 1st and 2nd, 2013 – Planning Work Shop
  May 2nd 2013 – Budget Work session
  May 15th, 2013 – Budget Work Session

- Approved (C-10-13) a contract between the City and Mark Knuckles Associates, Inc. for Annual Compliance Watch Consultation Services

- Approved (C-11-13) a contract between the City and EAP & Counseling Associates for Employee Assistance Program

Item #4, Budget Amendment – 2012-2013 Fiscal Year End, became #10 under the Regular Agenda

REGULAR AGENDA

PUBLIC HEARINGS

APPLICATION FROM AMERICAN TOWERS, LLC REQUESTING A CONDITIONAL USE PERMIT TO CONSTRUCT A NEW WIRELESS TELECOMMUNICATIONS TOWER (ESSENTIAL SERVICES CLASS III) IN THE RESIDENTIAL-25 (R-25) DISTRICT. THE SUBJECT PROPERTY IS LOCATED ON THE WEST SIDE OF STARTOWN ROAD APPROXIMATELY 400 FEET NORTH OF THE INTERSECTION OF STARTOWN ROAD AND CLEAR CREEK CIRCLE. THE ADDRESS OF THE PROPERTY IS 1237 STARTOWN ROAD (PARCEL ID 57942):

CUP-4-2013

Mayor Gilleland opened the Public Hearing. Those wishing to speak to this item was sworn in by City Clerk Donna Flowers. Ms. Laura Simmons, Planning Director, explained the request, the location of the request and the purpose of the tower, noting that if constructed it would serve as a communications tower for mobile phone companies. Ms. Simmons continued stating that the site is in the City's ETJ and is currently zoned R-25 as are the surrounding properties. She then directed Council to materials submitted by the applicant. Comments from the Staff Review Committee concerning this request were read. Ms. Simmons concluded stating Planning Board and staff s recommendation for approval subject to the requirements noted and the Staff Review Committee conditions.

With no questions from Council for Ms. Simmons, Mr. Tom Johnson an attorney representing the applicant spoke in favor of the request. Mr. Johnson stated that the applicant is in agreement with the staff report and will meet the conditions set forth. Mr. Johnson noted the tower will be 20ft. below elevation of Startown Road. He continued his presentation explaining the need for the tower, showing graphs of trends of cellular device usage. The biggest reason being for data traffic. Mr. Johnson ended his presentation welcoming any questions from Council. Mayor Gilleland had questions regarding the current coverage within the City of Lincolnton and the possibility of any other type of technology to handle projected growth. Mr. Johnson, at this time, stated

he is not aware of any specific technology at this time but other changes are being made. With no one else to speak to this item Mayor Gilleland asked for a motion to close
the public hearing. Councilman Rhyne made a motion unanimously approved to close the Public Hearing.

Councilman Cloninger made a motion unanimously approved to consider request.

FINDINGS OF FACT:

Section 153.237 of the UDO requires that four findings be determined by City Council. They are as follows:

1. Councilman Heavner made the motion unanimously approved that the use will not materially endanger the public health of safety if located where proposed and developed according to plan.

2. Councilman Cloninger made the motion unanimously approved that the use meets all required conditions and specifications.

3. Councilman Heavner made the motion unanimously approved that the use will not substantially injure the value of adjoining or abutting property unless the use is a public necessity

4. Councilman Rhyne made the motion unanimously approved the location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Lincolnton Land Use Plan and other plans for the physical development of the City as officially adopted by the City Council

ADDITIONAL CONDITION

5. Councilman Heavner made the motion unanimously approved that the tower will not result in the interference with the safe operation of aircraft in relation to existing or planned airport facilities.

Councilman Cloninger made the motion unanimously approved the request as Planning Board and staff recommended.

PUBLIC HEARING TO RECEIVE COMMENT ON THE PROPOSED 2013 – 2014 FISCAL YEAR BUDGET:

NOTE: Action on this item, after closing the Public Hearing, includes adopting the Budget Ordinance (O-03-13) and 2013-14 schedule of fees

(O-03-13)

Mayor Gilleland opened the Public Hearing. City Manager Jeff Emory began by speaking to several items in the proposed budget noting there were some changes since the recent budget work session however confirming that the overall budget amount of $28,217.362.00 remained the same. Updated copies of several budget sheets were distributed showing the updated totals as follows: Capital Outlay $906,000.00, Powell Bill is $300,000.00, Water and Sewer Capital $352,000.00 and the Electric Fund $60,000.00. Mr. Emory reviewed the highlights of the budget after which he commented on his reason for proposing the sanitation fee for residential and commercial customers. Mr. Emory stated, "I proposed the sanitation fee because it is my opinion as City Manager the City is simply not generating sufficient revenue to continue providing the services we currently offer." He gave several examples and spoke to the $1.1 million dollars in revenue the City has lost since 2009. Mr. Emory stated that approximately 75% of cities and towns in North Carolina have a sanitation fee. He concluded by saying that of the two options available, he would not recommend effecting city employees by reducing employee benefits. There were no questions from Council however Mayor Gilleland stated "We don't all agree but that's what makes America great." Mayor Gilleland proceeded by directing City Clerk Donna Flowers to call those wishing to speak, asking everyone to limit their comments to three minutes.

Mr. Charles Eurey expressed his feeling regarding the proposed sanitation fee. Mr. Eurey stated that he feels this fee is nothing more than a tax to the citizens of the City of Lincolnton. He stated that although it is a difficult thing to do, he has never seen a budget that could not be cut. "But sometimes we have to bite the bullet". Mr. Eurey stressed the difficulty of the time, not only for the City, but for the citizens.

Mr. Ronnie Leonhardt began by agreeing with the feelings of Mr. Eurey, and saying that, "He said all that needed to be said". Mr. Leonhardt acknowledge that the City has lose revenue however stated, "so has everyone else". Mr. Leonhard continued expressing his concern that this "tax" will discourage people from moving into the city. He feels this will be a negative instead of a positive.

Mr. Curt Moore also spoke against the proposed fee. Mr. Moore spoke to the budgeting side of the issue suggesting that something could have been outsourced. Mr. Moore concluded stating that options need to be viewed.

Mrs. Emily Robinson, a resident of Ward 4, spoke in opposition to the proposed sanitation fee tax. Mrs. Robinson referenced citizens on fixed incomes and others struggling to meet budgets, none of which need another fee or tax in light of the 12% increase in utilities they will already face. Mrs. Robinson asked Council to find ways to cut expenditures to avoid this fee. She also questioned how some businesses can be given the option to opt out when citizens have no choose.

Mr. Jonathan Hovis of 322 E. Dixon Street spoke to how tough times are for everyone. Mr. Hovis expressed his appreciation of the city employees and the good job that they do, however he questions why city employees are receiving a Christmas bonus. He also questions medical insurance benefits employees receive as well as the purchase of the new recycling containers. He concluded stating that staying within our budget is the key. "City employees may deserve a Christmas bonus" he said, "but so does the rest of America but they are not getting it".

Mrs. Jennifer Byrd began by saying she would not have known about this proposed fee had it not been for an active and concerned citizen delivering a letter to her business. She also mentioned an e-mail sent to each Councilmember expressing her concerns with only one response acknowledging the e-mail. Mrs. Byrd shared information she compiled regarding what some of the neighboring cities are doing in reference to reducing their budgets. She encouraged Council to follow their examples.

Mr. Robert Tomlinson referenced his letter which was printed in the Lincoln Time News, regarding taxation without representation. He also expressed his opposition to the proposed sanitation fee. Mr. Tomlinson reminded Council of the several times in the past he has spoken against wasteful municipal spending. He stated that services should not be duplicated and nonessential departments needed to be done away with. Mr. Tomlinson read to Council a list of the many questions he has asked regarding downtown, to which he has received no response. He also recommended that the Director and Assistant position be eliminated and use the money for other things to keep the sanitation fee from becoming a reality.

Dr. Bill Hitt began by thanking the Mayor and City Council and reiterating what was expressed by Mrs. Byrd regarding the public not being informed of this proposal. Dr. Hitt stated that the two entities represented, the tax payer and the city government, should be in the same boat and on the same page. Dr. Hitt continued saying that the only role of the Lincolnton city government should be to serve the city tax payer. City government should recognize that the citizens are also experiencing a shortfall in revenues however we must find ways to deal with it. Dr. Hitt stated that one of the things he feels he gets for the thousands of tax dollars he pays is garbage collection and adding a fee is a back handed scheme. Dr. Hitt concluded with, "If this scheme passes, I promise I will do everything within my power to see that anybody who votes for this never gets elected in this city again.

Mr. Richard Jones a business owner in town also addressed Council. Mr. Jones stated that instead of more taxes, attention should be given to providing incentives for residential owned homes and businesses. Mr. Jones suggested taxing the non-residential businesses instead of the residents to generate more income. He also suggested other fees the City could imposed upon non-residents, and several other ways to generate more revenue instead of taxing the residents.

With no one else signed to speak to this item, Councilman Heavner made the motion unanimously approved to close the public hearing

Councilman Cloninger made the motion to adopt the budget as presented.

Councilman Rhyne voiced his thoughts and opposition to the proposed budget. He questioned whether or not it is the time to buy recycling containers. Councilman Rhyne stressed that he is not convinced that the budget is as tight as it can be and other cuts cannot be made. He also stated that he is convinced that with the Generals Blvd. project and with the purchase of the recycling containers, additional cuts would not have to fall on the backs of the employees. Councilman Rhyne suggested taking out the intersection project and the recycling containers, giving each employee a $500.00 Christmas bonus, and giving each employee a 1.25% cost of living increase. Councilman Rhyne concluded by saying that he could not support the motion. More discussion was generated with Councilman Heavner stated that with the solid waste service costing the City approximately 1 million dollars a year, he feels the fee is justified to cover some of that cost. Mayor Gilleland acknowledged that the Council is split on the matter. With no other discussion Mayor Gilleland called for the vote. Motion passes two votes to one to adopt the proposed budget as presented with Councilman Cloninger and Councilman Heavner voting for and Councilman Rhyne voting against.

HONORING JOHNNY R. BAKER FOR HIS UPCOMING RETIREMENT FROM THE UTILITIES DEPARTMENT:

(R-10-13)

Mayor Gilleland asked Mr. Johnny Baker to come forward to present him with a framed resolution honoring his retirement. He was given a check recognizing his years of service in accordance with City policy. The Mayor read the resolution aloud;

WHEREAS, the City of Lincolnton does desire to recognize and honor employees of the City for dedicated and distinguished contributions to our City and its citizens; and

WHEREAS, Johnny R. Baker, began employment with the City of Lincolnton on April 13, 1989 as Meter Specialist and has faithfully served in that position in the Electric Department for twenty-four years; and

WHEREAS, Johnny R. Baker, has over his tenure assisted the City through technological changes, transitioning from manual meter reads to electronic, while still maintaining a superior level of service; and

WHEREAS, Johnny R. Baker, in the performance of his duties has shown himself to be an excellent time manager, dependable, and a hard worker always striving to give his best to the City and its citizens;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Lincolnton, that appreciation be shown to **Johnny R. Baker**, honoring him on his upcoming retirement on July 1, 2013, and that we extend congratulations and best wishes to him for continued success in all his future endeavors.
Adopted and presented this the 3rd day of June, 2013.

A short recess was taken at 8:15 p.m.

Meeting was called back to order by Mayor John Gilleland as he recognized City Manager Jeff Emory to start the discussion on the Budget Amendment, item # 4, that was moved from the Consent Agenda to the Regular Agenda at the start of the meeting. Mr. Emory explained that the item is the year end budget amendment and welcomed any questions regarding this matter. Mayor Gilleland directed Councilman Rhyne to proceed with his questions. Councilman Rhyne explained that he wanted an explanation of exactly the information is showing. City Manager Jeff Emory called on Georgetta Williams who explained the numbers in reference to the increases and decreases showing in the revenues and expenditures. Mrs. Williams continued saying "house cleaning" is a physical control used to bring down the budget to a more truer number.

CITY OF LINCOLNTON – 2013– 2014 SALARY SCHEDULE / SCHEDULE OF BUDGETED POSITIONS:

(R-11-13)

Jeff Emory, City Manager recommended that Council adopt the following resolution adopting Salary Schedule and Schedule of Budgeted Positions:

WHEREAS, the proposed 2013-14 fiscal year budget has been prepared by the City Manager and presented to the Mayor and City Council; and

WHEREAS, the proposed 2013-14 fiscal year budget includes a recommended salary schedule and schedule of budgeted positions;

NOW, THEREFORE, BE IT RESOLVED, that the City of Lincolnton adopts the "Salary Schedule", and "Schedule of Budgeted Positions", as attached to this resolution, for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

Adopted this the third day of June 2013.

Councilman Cloninger made the motion unanimously approved to adopt the resolution as recommended and presented.

CONTRACT BETWEEN THE CITY AND WEX. INC. (STATE OF NORTH CAROLINA VENDOR) FOR THE PURCHASING OF FUEL FOR CITY VEHICLES:

(C-12-13)

Georgetta Williams, Finance Director told Council that the City spends $ 300,000 per year in fuel purchases. As a cost savings measure she and her department researched options that other entities use when fueling vehicles.
Mrs. Williams recommended, through her findings, that the City consider contracting with a State vendor known as WEX, Inc. She estimates an annual rebate of $ 4,000 to the City through this program. She noted other positives of this contract would be unlimited vendors, meaning the City would no longer be restricted to one particular fueling

station and could better track employees/departmental fuel sales. Public Works Director Steve Peeler also spoke in favor of contracting with WEX, Inc. for a number of different reasons.

Councilman Rhyne made the motion unanimously approved to enter into the contract as recommended.

UPDATE ON ACCEPTING ONLINE UTILITY PAYMENTS:

Georgetta Williams, Finance Director reported to Council that with the recent upgrade to the utility billing software, the City now has the capability to begin accepting online utility payments, which she would like to begin utilizing July 1st. Mrs. Williams stated that the only out of pocket cost the City expects to pay is $2,500.00 which will cover the implementation of the software and training, which has been scheduled for June 19th. Other cost associated can be passed on to the customer as convenience fees. A $4.75 convenience fee has been recommended by the vendor. Mrs. Williams stressed that the City will not make a profit from these fees. She spoke to the advantages of the online payments. Customers are being notified of this new feature in several different ways.

Mayor Gilleland opened the floor for any questions regarding this item. Councilman Rhyne thanked Mrs. Williams for making it a reality.

UPDATE ON PHASE III OF RAIL TRAIL :

Laura Simmons, Planning Director and Leonard Fletcher, TGS Engineers both spoke to this item. Ms. Simmons reported that staff's punch list items have been addressed and NCDOT has given their approval. Public works will now be able to begin some trash removal along the trail.

Mr. Leonard Fletcher gave a final update on Phase III and offered to answer any questions from Council. Mr. Fletcher addressed questions regarding the quality and condition of the asphalt and about liquidated damages. Mr. Fletcher explained the State does not charge for liquidated damages in the winter season. He went on to say that specific language is not in the contract but can be found in the state specifications manual which is part of the contract. Some discussion was generated and it was determined the date of substantial completion was March 3rd . There is a one year warranty on the asphalt from March 3, 2014. An eleven month inspection will be performed by TGS Engineers.

Mr. Fletcher reported the total additional cost to the City will be $8,377.42 which will be paid to the contractor. This amount does not go over the 80/20 allocation. Mayor Gilleland asked Mr. Fletcher's opinion of the asphalt. Mr. Fletcher responded, I'm 100% convinced that it's ok but it does not look good". City Manager also spoke to the over runs with the project. More discussion was generated. City Clerk Donna Flowers inquired about the change order needed to proceed. Mr. Fletcher clarified there being no change order. A Supplemental agreement is required per the contract. Finance Director Georgetta Williams confirmed that the proper documents needed for auditing has been received. Mrs. Flowers asked for a copy for the minutes. Englewood is to receive $7,716.65 and the extra testing amount was $660.77.

Councilman Rhyne made a motion to approve an additional $8,377.42 for supplemental agreement for Phase III of the Rail Trail.

MONTHLY FINANCIAL & OVERTIME REPORT:

Jeff Emory, City Manager directed Councils attention to the financial report provided. Mr. Emory opened the floor to questions from Council. Councilman Rhyne addressed the drastic change in overtime amounts. Fire Chief Burgin explained the staffing requirements and why the overtime has been necessary with the absence of three employees in his department. He also explained the current use of temps to help with this staff issue. Much discussion was given to the subject of overtime. Councilman Rhyne asked if a report for the Hog Happenin event could be made available at the July 11th meeting. Mr. Emory stated that the information can be provided. Public Works and Utilities Director Steve Peeler also identified some of the overtime being due to a shortage of staff in his departments. Mr. Peeler wanted to point out that no one thing is driving the overtime. Councilman Rhyne reiterated that he knows there will be overtime, he is concerned with the trending.

PUBLIC COMMENT:
No one spoke under the public comment portion of the agenda.

NEWS MEDIA:
There were no questions from the news media.

ADJOURNMENT:
Councilman Cloninger made the motion unanimously approved to ADJOURN the meeting.

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DONNA C. FLOWERS, CMC	**JOHN O. GILLELAND, JR.**
CITY CLERK	**MAYOR**