



RESCHEDULED WORK & BUDGET SESSION MEETING

SATURDAY MAY 1, 2021 @ 8:30 AM

CHERRYVILLE FIRE DEPARTMENT

411 E. CHURCH ST. CHERRYVILLE, N.C. 28021

ITEMS FOR DISCUSSION OR ACTION:

The Honorable Mayor H.L. Beam called the meeting to order at 8:30 am. Councilmember's Malcolm Parker, Jill Puett, Gary Freeman and Jon Abernethy were present. City Manager Jeff Cash, City Clerk Paige H. Green, and Finance Director Dixie Wall were also present. No media coverage.

Mayor Beam shared the following announcements:

Great news related to the lost 13-year-old child from Wednesday. Emergency Service units from surrounding areas were asked to assist. The City of Cherryville sent two police officers and two firefighters to assist. Late Wednesday afternoon, the girl was located in fair condition by Cherryville Police Officers Skyler Sisk and Brandon Parker. They were assisted in treating the juvenile by CFD Captain Kurt Black. Please help me congratulate these special public safety officials.

This week, City Manager Cash received word from Patrick O'Leary that he wanted to assist the Fire Department with the purchase of new defibrillators. The Fire Department's defibrillators are over 20 years old and can no longer be serviced. This includes not being able to locate parts for these units. Patrick is going to assist that fire department in the purchase of five new Life Pak 1000 defibrillators, which are compatible with the units that GEMS carries. These defibrillators cost approximately \$2,500 each. His donation will be approximately \$15,000. The defibrillators will be purchased and put in service next week. They were in this year's budget request and cut!

Additional great news received by City Manager Cash this week comes from our rating process. As you will remember, we are doing private rating with Standard & Poor, as well as Moody's rating services. Our rating depends on the amount of interest rate we pay on the bond

proceeds. Standard & Poor's rating has come in at AA-. This is a phenomenal rate for the City of Cherryville. We have learned that S&P and Moody's have not given out many AAA ratings since the market crashed in 2008. Again, this is great news for our bond project, the City and its citizens. The rating and report will go public next week. Our POS and NOS are this coming week. May 18th is the bond sale and pricing. Closing/Delivery date is June 3.

PRESENTATION BY SHARON PADGETT, GASTON COUNTY YMCA CEO:

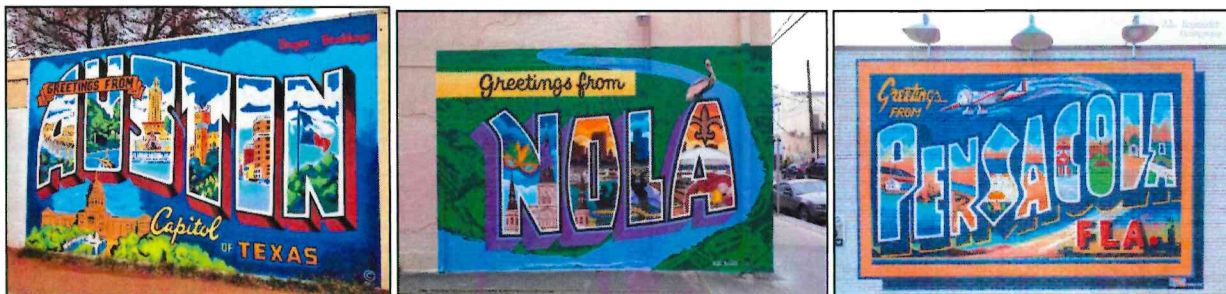
Mrs. Sharon Padgett announced that the Gaston County YMCA would be relocating to 215 N. Mountain Street. Mr. Patrick O'Leary has purchased the property and is supporting the YMCA on this relocation.

PRESENTATION BY VICKI SPURLING, VICKI SPURLING REALTY:

Mrs. Vicki Spurling was present to share that Mr. Patrick O'Leary has purchased all but one building in the 200 block of N. Mountain and the 100 block of W. First Street. Mrs. Spurling shared that Mr. O'Leary would like to put a mural on the south side of the building located at 205 N. Mountain Street. Mrs. Spurling passed around some examples that Mr. O'Leary is thinking about. Council will have the final approval on the mural.

Councilmember Puett made a motion to approve a mural for that building. Councilmember's Freeman and Abernethy seconded the motion and the vote was unanimous.

Mrs. Spurling will present City Council with rendering of murals so they can decide. Below are some samples that were shared:



CONSIDERATION TO SET A PUBLIC HEARING FOR MAY 10, 2021 RE: REZONING FOUR GIS PARCELS (PIN #'S 130320, 219066, 130314, & 130318) FROM GMC & R-9 TO RMF., CITY MANAGER JEFF CASH:

City Manager Jeff Cash shared that a public hearing will be held on Monday May 10 for a rezoning of GIS Pin #'s 130320, 219066, 130314, and 130318. All four parcels are located in the 1400 block of E. Academy Street. The planning board met on April 19, 2021, to discuss the rezoning and voted to approve the rezoning. The property will be rezoned for apartments. Woda Companies, out of Savannah Georgia have plans to build apartment similar to the ones they have in Greenville, NC.



And the apartments they have in Charlotte, NC.



DISCUSSION OF GOLF CART POLICY, MAYOR H.L. BEAM:

Mayor Beam asked that the Golf Cart Policy be reviewed once again. Mayor Beam shared that Councilmember Parker watched a golf cart cross Hwy. 150 while pulling a baby stroller.

Councilmember Parker shared that he is afraid someone is going to get hurt. Councilmember Parker asked that council consider adding a line to the policy that states nothing can be pulled by a golf cart.

Councilmember Abernethy shared that his neighbor has a golf cart and has paid for the insurance on it and the permit from the police department. His neighbor feels like the permit should be enforced for all citizens.

City Manager Cash shared that he will talk to the police chief about educating the public and giving out warnings for 30 days and after that, citizens without the proper permit and insurance will face fines.

City Manager Cash shared that he would have the police chief revise the policy and it will be on the May 10 agenda for consideration.

CONSIDERATION OF ABC RESOLUTION RE: CAPITAL FUNDS UPDATE, MAYOR H.L. BEAM:

Mayor Beam shared that the Cherryville ABC Store is in need of a new roof. The recent quote that the store received to replace the roof was \$40,000. Mayor Beam shared the in May 2016 the following resolution was approved giving the ABC Board the authority to set aside \$5,000 annually to replace the roof:



**RESOLUTION TO APPROVE
CHERRYVILLE ABC BOARD AUTHORITY
TO SET ASIDE FUNDS FOR FUTURE
CAPITAL IMPROVEMENTS**

WHEREAS, the Cherryville Alcoholic Beverage Control (ABC) Board has received input from Ray Commercial Roofing Company of Charlotte regarding the need to replace the existing roof upon the Cherryville ABC store building; and

WHEREAS, the costs associated with the replacement of the roof is approximately \$35,000, which have been approved by the Cherryville ABC Board in its FY 2016-17 budget; and

WHEREAS, the Cherryville ABC Board estimates the construction of the roof replacement may commence as soon as within the next two (2) or three (3) years, but hopes the need for the actual replacement be five (5) to seven (7) years out; and

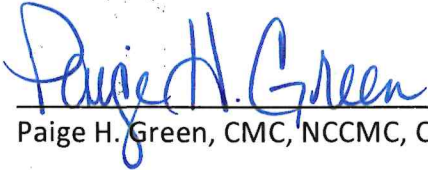
WHEREAS, the Cherryville ABC Board believes it would be most prudent financially to plan in advance for the replacement costs by transferring \$5,000 into a capital improvement savings account each year for the next seven (7) years or at such time when the roof has been replaced; and


WHEREAS, the Cherryville ABC Board does not anticipate this action to affect in any way the ability to continue with distributions of profits at their current levels; and

WHEREAS, the City of Cherryville City Council as the appointing authority of the Cherryville ABC Board has reviewed this proposal and after consideration recommends the approval of this proposal.

NOW, THEREFORE, BE IT RESOLVED that the Cherryville City Council does hereby **ADOPT** the resolution to approve the setting aside of funds for future roof replacement costs for the Cherryville ABC store.

This the 9th day of May 2016.


Paige H. Green, CMC, NCCMC, City Clerk

(SEAL)

H. L. Beam, III, Mayor

Mayor Beam asked Council to consider rescinding the May 9, 2016 resolution and accepting the following resolution giving the ABC Store the authority to set aside \$7,000 annually to cover the cost of the roof:



**RESOLUTION TO APPROVE
CHERRYVILLE ABC BOARD AUTHORITY
TO SET ASIDE FUNDS FOR FUTURE
CAPITAL IMPROVEMENTS**

WHEREAS, the Cherryville Alcoholic Beverage Control (ABC) Board has received input from Creason Roofing Company of Cherryville, regarding the need to replace the existing roof upon the Cherryville ABC store building; and

WHEREAS, the costs associated with the replacement of the roof exceeds \$40,000, which has been approved by the Cherryville ABC Board in its FY 2021-2022 budget; and

WHEREAS, the Cherryville ABC Board estimates the construction of the roof replacement may commence as soon as within the next two (2) or three (3) years, but hopes the need for the actual replacement be five (5) years out; and

WHEREAS, the Cherryville ABC Board believes it would be most prudent financially to plan in advance for the replacement costs by transferring \$7,000 into a capital improvement savings account each year for the next five (5) years or at such time when the roof will be replaced; and


WHEREAS, the Cherryville ABC Board does not anticipate this action to affect in any way the ability to continue with distributions of profits at their current levels; and

WHEREAS, the City of Cherryville City Council as the appointing authority of the Cherryville ABC Board has reviewed this proposal and after consideration recommends the approval of this proposal.

NOW, THEREFORE, BE IT RESOLVED that the Cherryville City Council does hereby **ADOPT** the resolution to approve the setting aside of funds for future roof replacement costs for the Cherryville ABC store.

This the 1 day of May 2021.


Paige H. Green, CMC, NCCMC, City Clerk

(SEAL) 
H. L. Beam, III, Mayor

Mayor Beam explained that the new amount will not affect what the City of Cherryville receives from the ABC Board, but it will allow the board to save enough to replace the roof.

Councilmember Parker made a motion to rescind the resolution from May 9, 2016 allowing the ABC Board to save \$5,000 annually for a new roof. Councilmember Puett seconded the motion and the vote was unanimous.

Councilmember Parker made a motion to approve the revised resolution for May 1, 2021, allowing the ABC Board to save \$7,000 annually for a new roof effective immediately. Councilmember Puett seconded the motion and the vote was unanimous.

CONSIDERATION OF RESOLUTION RE: REIMBURSEMENT OF FINANCIAL PROCEEDS FROM APPROVED BONDS, CITY MANAGER JEFF CASH:

City Manager Jeff Cash asked for consideration for the following resolution. The resolution authorizes the City of Cherryville to reimburse itself for early project expenditures from the proceeds of voter-approved bonds.



**Reimbursement Resolution --
Authorizing the City to reimburse itself for early project expenditures from the
proceeds of voter-approved bonds**

WHEREAS --

The City intends to undertake Projects (as described below), use its own funds to pay initial Project costs, and then reimburse itself from financing proceeds for these early expenditures. The Manager and the Finance Officer have advised the Council that it should adopt this resolution to document the City's plans for reimbursement, in order to comply with certain federal tax rules relating to reimbursement from financing proceeds.

BE IT RESOLVED by the City Council of the City of Cherryville, North Carolina, as follows:

1. The Projects are as follows: downtown improvement projects, water system improvements and sewer system improvements, all as previously approved by the Council.

2. The City intends to advance funds for initial Project costs, and then reimburse itself from financing proceeds. The expected primary type of financing for the Project (which is subject to change) is the general obligation bonds approved by the City's voters in November 2020. The expected maximum amount of bonds or other obligations to be issued or contracted for the Projects (including allowances for reserves and financing costs) is approximately \$8,700,000.

3. Funds for the early Project expenditures may come from the City's General Fund, or from the City's utility enterprise funds.

4. The City intends for the adoption of this resolution to be a declaration of its official intent to reimburse itself from financing proceeds for Project cost expenditures.

I certify as follows: that the foregoing resolution was properly adopted at a meeting of the City Council of the City of Cherryville, North Carolina; that this meeting was properly called and held on May 10, 2021; that a quorum was present and acting throughout this meeting; and that this resolution has not been modified or amended, and remains in full effect as of today.

Dated this 10 day of May 2021.





Paige H. Green, CMC, NCCMC, City Clerk
City of Cherryville, North Carolina

Councilmember Parker made a motion to approve the resolution authorizing the City of Cherryville to reimburse itself for early project expenditures from the proceeds of voter-approved bonds. Councilmember Puett seconded the motion and the vote was unanimous.

CONSIDERATION OF ORDINANCE RE: CAPITAL PROJECTS FOR DOWNTOWN, WATER AND SEWER BONDS, CITY MANAGER JEFF CASH:

Finance Director Dixie Wall ask for consideration for the following ordinance for the downtown bonds, the water bonds and the sewer bonds.



Capital Project Budget Ordinance-
Downtown, Water, and Sewer Bonds

BE IT ORDAINED by the City Council of the City of Cherryville, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, that following capital project ordinance is hereby adopted.

Section 1. The project authorized is the beautification of downtown and replacement of water and sewer infrastructure replacements and improvements to be financed by the sale of general obligations bonds.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the bond resolution and budget contained herein.

Section 3. The following amounts are appropriated for the project:

Financing costs, including legal fees and LGC fee	\$ 112,419
Construction	\$7,025,737
Architect/Engineering fees preconstruction	\$ 244,000
Construction-period engineering and contract admin	\$ 550,993

Contingency	\$ 766,851
Total Appropriations	\$8,700,000

Section 4. The following revenues are anticipated to be available to complete this project:

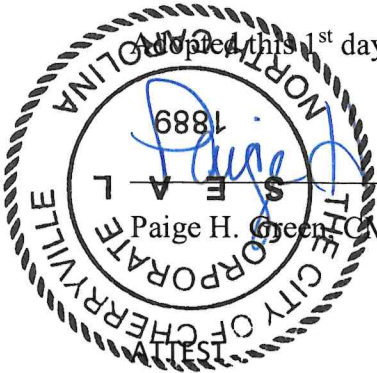
Proceeds from general obligation bonds	<u>\$8,700,000</u>
Total Appropriations	\$8,700,000

Section 5. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to meet the terms of the bond resolution.

Section 6. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total proceeds from the general obligation bond revenues received.

Section 7. Copies of this capital project ordinance shall be furnished to the council and the finance officer for their use in carrying out this project.

Approved this 1st day of May 2021.



Paige H. Green
 Paige H. Green, NCCMC, City Clerk

H.L. Beam
 H.L. Beam, Mayor

Councilmember Abernethy made a motion to approve the ordinance regarding capital projects for downtown, water and sewer bonds. Councilmember Puett seconded the motion and the vote was unanimous.

Councilmember Parker asked for a monthly report on the bond funds. Finance Director Dixie Wall shared that she would provide it when she sends the monthly financials out.

OTHER BUSINESS:

Mayor Beam shared that he received a call from Margaret Riffle regarding a break in the sidewalk near Jacks Pawn Shop that caused her to fall. Ms. Riffle shared that she wanted the city to be aware of the break so that no one gets hurt.

City Manager Cash shared that with all the changes coming to Main Street the sidewalks will be repaired.

City Manager Jeff Cash shared that a meeting will be held May 10, at 10:00 am at the Cherryville Fire Department concerning the Anita Stroupe Law Suit. The North Carolina League of Municipalities has assigned an attorney to the case.

Councilmember Parker shared that Ms. Bobbie Rudisill passed away last Friday. Councilmember Parker shared that Ms. Rudisill has always been an instrumental part of the Cherryville Historical Museum and he would like to have the museum building named after her.

City Clerk Paige Green will provide Councilmember Parker with an application for this request. This will be on the May 10 agenda for consideration.

Councilmember Parker asked what is going on with Mayor Austell that everyone is talking about, because he has not been made aware of anything.

City Manager Jeff Cash shared that Mayor Austell has received the Long Leaf Pine Award. He will be presented with the award at the May 10 meeting.

Councilmember Freeman asked about the oak trees on the corner of S. Jacob Street and E. Academy Street. City Manager Cash shared that the trees are on private property and the responsibility of the property owners.

Councilmember Parker shared that the electrical department was behind his business trying to get access to the trees that are on the property of the apartment complex behind his business. Councilmember Parker stated that the trees are in the electrical lines and he wanted to know who was responsible for trimming those trees.

City Manager Cash shared that he will get Planning and Zoning Director Derrick Mackey to send the property manager a letter concerning this matter. This is not the responsibility of the city.

REVIEW OF PROPOSED FY 2021 – 2022 BUDGET, CITY MANAGER JEFF CASH:

City Manager Jeff Cash began the review of the FY 2021 – 2022 proposed budget with the following highlights. Mr. Cash explained that if an item below states in red that it is not included, that means it is not included in the proposed budget. The items have been removed because the City of Cherryville will be receiving 1.78 million dollars from the American Rescue Plan (ARP), and that money will be used for the items that have been removed from the budget. Below the budget notes list is a list of priorities for the ARP funds.

CITY OF CHERRYVILLE

2021-22 FISCAL YEAR

DRAFT PROPOSAL BUDGET NOTES

General Fund Highlights:

Revenue Changes: Planning and Zoning fees increase
Community Building Rental increase

Expenditure Changes:

Administration: Planning and Zoning Requested Software \$12,000 **(Not included)**

EDC: Moved CMSP and Director's Salary back to General Fund from Electric
(Using committed fund balance from donor in the amount of \$450,000 to cover
Expenditures of \$261,600 and debt service payment in the amount of \$188,400)

Police Department: Leasing a police vehicle from Enterprise Leasing
Facility Repairs – roof and plumbing \$66,000 **(Not included)**
Evidence Storage Bldg. \$17,000 **(Not included)**
Body Cams \$18,000 **(Not included)**

Fire Department: Requested defibrillators \$10,000 **(Not included)**

Public Works: No Change

Street: Requested ½ Street Sweeper \$137,500 **(Not included)**
½ New Dump Truck \$35,000 to pull leaf machine **(Not included)**
New Leaf Machine \$40,000 **(Not included)**

Powell Bill: Paving \$60,000 (Jane, Celia, and Ranbar)
Hampton Storm Drain Repair
½ Street Sweeper \$137,500
½ New Dump Truck \$35,000 to pull leaf machine **(Not included)**

Sanitation: Moved from General Fund to a self-supported Utility Fund

Recreation: Lawn Mower \$12,000 **(Not included)**
Storage Building \$10,000 **(Not included)**
Parking Lot \$60,000 **(Not included)**

Cemetery: Planting Scattering Grounds **(Not included)**

Electric Fund Highlights:

Revenue Changes:

- Residential – 5% decrease and develop a hardship rebate to credit eligible customers utility bill
- Commercial – No Change but change known customers to correct rate with the correct demand energy.
- Industrial – No Change
- OP-12 – Request to move to correct rate with economic rider and close this rate
- CP-98 - Request to move to correct rate with economic rider and close this rate

Expenditure Changes:

- Repair Dock and Parking Lot \$25,000
- Tree Trimming \$65,000
- Cherrywood new underground \$95,000
- Downtown electric improvement including Pink St and Depot Underground \$220,000
- Right of Way mower \$76,000
- Service Truck \$24,000

Water/Sewer Highlights:

Revenue Changes:

- Change employee rate

Expenditure Changes:

- Administration: Debt Service payment- \$169,000 for downtown water/sewer
- Last payment on Lincolnton interconnect \$66,000
- Black Rock Improvement \$100,000 (Not included)
- Repair at pump station at REMC \$50,000
- Compound AMI Water Meter \$25,000
- F550 Truck with Utility Bed \$70,000

Water Plant: Replace #3 High Service Pump \$55,000 (Not included)

Wastewater: Roof on Ballard Pump Station \$20,000 (Not included)
Generator \$93,000 (Not included)

All Funds:

- Salary Adjustments (Year 2 of 3) Includes Fringes
 - General \$115,760
 - Electric \$43,630

- Water/Sewer \$72,630
 - Sanitation \$21,400
- Total \$253,420

- Cola 1.5% Includes Fringes
 - General \$30,860
 - Electric \$9,280
 - Water/Sewer \$15,200
 - Sanitation \$4,100
- Total \$59,440

- Health Insurance increase 5%
- Dental Insurance Increase 5%
- General Retirement Increase 1.2% from 10.15% to 11.35%
- Law Retirement Increase 1.2% from 10.90% to 12.10%

Debt Service Increased by \$416,255 from FY 2021 to FY 2022

General - \$ 396,421

Water/Sewer - \$233,128

Notes:

*This is year two (2) of the salary adjustment for all full-time employees

*I am recommending a 1.5% Cost of Living Adjustment (COLA)

*I am requesting the we move Longevity pay from a cash number for years of service to a % of salary for years of service to make longevity meaningful for employees'

**American Rescue Plan (ARP) - \$1.78 Million
Priority List**

- West Church (Hwy 150 West Water Line – 1,200,00 - Bond
- Main Street to Peak Resources Water Line - \$1,000,000 - Bond
- Sewer Line to Ballard Pump Station - \$1,000,000 - Bond
- Black Rock - \$200,000 Bond? Or #1
- Police Department Facility Repairs (Roof & Plumbing) - \$66,000 - #2
- Police Department Evidence Storage Building - \$17,000 -#3
- Body Cams (Police) - \$18,000 -#4
- Street Sweeper 1/2 cost - \$137,500 - #5


- Planning/Zoning Software - \$12,000 - #6
- Lawn Mower (Recreation) - \$12,000 - #7
- Storage Building (Recreation) - \$10,000 - #8
- Generator (Wastewater Plant) - \$93,000 - #9
- Roof at Ballard Pump Station (Wastewater Plant) - \$20,000 #10
- Raw Water Pump (Water Plant) - \$20,000 - #11
- Water Plant Road - \$50,000 - #12
- High Service Pump (Water Plant) - \$65,000 - #13
- Little League Parking Lot - \$60,000 -#14
- ADA at City Hall - \$600,000 - #15
- Westgate Park - \$350,000 #16
- Splash Pad - \$350,000 - #17
- ADA City-Wide - #18


Mayor Beam and the City Council reviewed each page of the proposed budget. Many questions were asked and answered, and all in attendance participated in the discussion. The work session for the proposed FY 2021 – 2022 budget was a success. A copy of the proposed budget will be in the City Clerk’s office for review by any citizen.

ADJOURNMENT:

Councilmember Freeman made a motion to adjourn the work sessions. Councilmember Puett seconded the motion and the vote was unanimous. The meeting adjourned at 1:42 pm.

Adopted this 10 day of May 2021.


 Paige H. Green, CMC, NCCMC, City Clerk


 H.L. Beam, Mayor



