

REGULAR SESSION OF JANUARY 29, 2019

The City of Kings Mountain, North Carolina met in Regular Session at 6:00 p.m. on Tuesday, January 29, 2019 in the Council Chambers of City Hall with Mayor Scott Neisler presiding.

ATTENDANCE

The following Councilmembers were present: Annie Thombs, Keith Miller, David Allen, Rodney Gordon, Tommy Hawkins, Jay Rhodes, and Mike Butler.

Also present: Mickey Corry, City Attorney, Marilyn Sellers, City Manager and Karen Tucker, City Clerk.

INVOCATION

The invocation was given by Dr. Moses Neuman, Director of World Care Ministries, Kings Mountain, NC.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Neisler.

AGENDA ADOPTION

Mayor Neisler removed Item 11 on the Agenda stating that more work needed to be done on this item. Councilmember Keith Miller removed Item 9(H) from the Consent Agenda and placed it on the Regular Meeting as Item 11. Upon Motion by Councilmember Jay Rhodes, seconded by Councilmember Rodney Gordon, it was unanimously voted to approve the Agenda as amended.

SPECIAL PRESENTATION AND RECOGNITIONS

City Councilmember's Comments and Remarks:

Councilmember Tommy Hawkins welcomed County Commissioner Johnny Hutchins to the meeting.

MAYOR'S COMMENTS AND REMARKS

Mayor Neisler recognized the following City employees for their years of service:

- | | | |
|-------------------|-----------------|----------|
| ▪ Holly Black | Energy Services | 20 years |
| ▪ Brandon Bolin | Energy Services | 20 years |
| ▪ Marilyn Sellers | City Manager | 30 years |

Mayor Neisler read **Resolution 19-02** in memory of Lou Ballew.

Mayor Neisler read **Resolution 19-01** recognizing Sgt. Stephen Skinner for completion of the FBI Leadership Trilogy.

Mayor Neisler recognized Bobby and Sharon Horne with a plaque and thanked them for allowing the City to transform their downtown space into Santa’s Workshop during the Home for Christmas activities.

Mayor Neisler read **Resolution 19-03** honoring the Kings Mountain High School Football Team.

Mayor Neisler recognized Eddie Payne and presented him with a Proclamation and the 2018 Community Spirit Award.

Mayor Neisler read a **Resolution of Gratitude** honoring Cormetech, Inc. for their sponsorship of “Feed the Children” Day.

Mayor Neisler read a **Resolution of Gratitude** honoring Camper’s Inn for their support and the donation of 26 bikes to the Kings Mountain Police Department toy store.

Mayor Neisler read a **Resolution of Gratitude** to Murphy’s Scooter Shed for their support and donation of toys to the Kings Mountain Police Department toy store.

Marilyn Sellers, City Manager stated that she was very proud to have our new Police Chief, Lisa Proctor at the meeting and asked her to come forward and share a report of an event that happened today. Chief Proctor stated that the Police Department had their audit by the North Carolina Justice Academy Training and Standards Division. This is the third audit that has occurred since the passing of Chief Tessner, which included a state and federal audit that passed with flying colors. Today’s audit earned a 100 percent, with no problems. This board governs all training files beginning when each individual officer was hired, to be sure that all of the training standards were met.

Councilmember Keith Miller gave recognition to the administrative staff at the department stating that “they have done an excellent job keeping these records, and have done so for many years.”

SPECIAL EVENTS UPDATE

Christy Conner, Special Events Coordinator recapped the home for Christmas events and shared a video of actual footage from the festival and all of the events that surrounded the downtown area. She spoke regarding the joint efforts by City departments, downtown businesses, and our community partners to make the Home for Christmas festival a huge success. She also stated that outreach statistics shown via social media proved that we are on the right track in the promotion of the City of Kings Mountain.

The Martin Luther King Jr. Observance was well received once again this year. The audience was diverse and included many school aged children, whose teachers offered extra credit for attendance for this educational experience. Christy thanked the Councilmembers who attended, and also thanked Annie Thombs for her role in the planning of the event.

Earth Day will be held on Saturday, April 13, 2019 at the Gateway Trails. Also, the Annual Easter Egg Hunt will be held on Saturday, April 20, 2019 at the Mayor Rick Murphrey Children's Park.

Councilmember Tommy Hawkins stated that he was very impressed with the car count during the Christmas festivities, and he stated that he has heard more comments regarding the lights this year than ever.

Councilmember Jay Rhodes welcomed Christy back to work after her illness, stating that he has prayed over her health and is glad that she is able now to be back.

Councilmember Annie Thombs thanked Christy for the incredible work that she did on the Martin Luther King, Jr. celebration in the midst of all of her health challenges. She stated that this was the best celebration that she has attended since the City started the observance and that there have been so many positive comments made to her regarding the program. She also stated that there was a great impact and that she loved the diversity that was included in the program.

City Manager Marilyn Sellers also asked Council to mark their calendars for this Friday, February 1, 2019 for the Swearing In Ceremony for Chief Lisa Proctor.

CITIZEN RECOGNITION

No one requested to speak.

PRESENTATION OF 2017-2018 ANNUAL AUDIT

Chris Costner, Finance Director and Matt Braswell with Martin Starnes & Associates presented the 2017-2018 fiscal year audit. Mr. Costner stated that the audit was completed on-time back in November. Mr. Braswell stated that the City was issued

an Unmodified Opinion which is the cleanest and best opinion that you can get. This means that there were no findings to lead them to believe that the financial statements would be misleading to readers. He stated that staff was very cooperative and supplied everything that was needed in a very timely manner. There were no material weaknesses or internal control deficiencies noted. There were also no audit adjustments.

Mr. Braswell reviewed the following highlights with Council:

- General Fund – Fund Balance
- Fund Balance Position – General Fund (Available Fund Balance is \$5,755,294. Available Fund Balance in 2017 was \$4,641,077. Available Fund Balance increased in 2018 by \$1,114,217.)
- Available Fund Balance as a Percent of Expenditures & Transfers Out (Current year for Kings Mountain is 40.2%. Prior year, as of 06/30/2017 was 36.2%.)

Mr. Costner reviewed the following highlights with Council stating that the Finance Staff is very proud of the fact that there are no findings, adjustments, or deficiencies:

- General Fund Revenue Breakdown
 - Property Taxes - (37%) Property tax revenue was up in 2018 as compared to 2017. Valuation increased, which is great because that means we are growing, however some of this increase is due to the valuation of the data centers which are incentivized. This does not reflect NTE property tax revenue.
 - Other Taxes and Licenses - (23%) Sales tax is trending upward, and is up in 2018 as compared to 2017.
 - Transfers In – (15%) This is primarily from the Electric Fund.
 - Sales and Services – (11%) This is mainly garbage fees. The growth is not a result of an increase in fees, but a clean up regarding our books in 2017. The figure for 2018 is a more accurate number of what the City should be earning based upon our current fees and our volume of sales.
 - Other Revenue (Restricted Intergovernmental, Permits and Fees, Investment Earnings, and Miscellaneous) – (9%)
 - Debt Proceeds – (5%) This is installment debt from the purchase of the firetruck and other public works equipment.
- General Fund Expenditure Breakdown
 - Public Safety - (31.4%) This includes the firetruck that was purchased in 2018 and the salaries of the new firemen that were added.

- Other Expenditures (Transportation, Environmental Protection, Culture and Recreation, and Debt Service) - (37.9%)

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- General Government - (20.6%) This is comprised of Non-Departmental, Administration, Finance, HR, IT, Garage, and Public Works. There were some operating increases, as well as capital projects that contributed to the increase for 2018.
- Economic and Physical Development – (10.1%)
- Debt Position – Our outstanding debt as of 06/30/2018 was \$31,031,311, most of which is in the Enterprise Funds. The vast majority is in the Water Department, which include the DEQ Loans that were done to complete the water plant upgrades and the 36” water line. We are well below the legal debt margin.
- Enterprise Funds – These follow a “for profit” model. There is no fund balance for Enterprise Funds, however the closest thing to fund balance is “Un-restricted Net Position.” This is the cash on-hand available. All of the funds have positive cash flow from operations.

Mayor Neisler asked if the 20% cash on hand in the Electric Fund was the norm. Mr. Costner stated that some of these funds are very heavily debt laden just based on infrastructure. The City is very fortunate that we do not carry any debt for infrastructure, as do other units of government. The twenty percent that we have is roughly over a two-month reserve. Transfers out contribute to the cash on hand in the Electric Fund, and considering the amount that is transferred and the fact that they still maintain a twenty percent fund balance, that is still good.

Councilmember Keith Miller asked “when we are looking at the Cash Balances, you show the Water Fund having about \$1.1 million cash flow for operations, is that net of the \$1.7 million a year annual debt service?” Mr. Costner stated “No, but the grant dollar’s fall into the same cash flow designation.” Councilmember Miller stated “I know, for about 10 years.” Mr. Costner answered “Correct. We all know that \$6.5 million that we have gotten over the last few years has absolutely saved that fund from the standpoint of not having to do significant rate increases. We know that we have been living off of grants for the last three years. With NTE coming on board, we think that fund has been made whole based upon our current rate schedule. We are going to take a look at it. Ricky has just hired consultants to do a rate study. I think we are headed in the right direction with that, but it is painfully obvious that absent of these grants, we would have to do rate increases on top of having done 7.5 percent rate increase for three consecutive years in order to qualify for the loans. We are getting there in the Water Fund and with NTE it will do a great thing for this

fund.” Mr. Costner stated that we would have a better idea of NTE would do once we have a better history.

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Mr. Costner commended his staff for all their work and he appreciates the job that his staff does.

Mayor Neisler thanked Mr. Costner for his service to the City of Kings Mountain.

CONSENT AGENDA

Upon motion by Councilmember Jay Rhodes, seconded by Councilmember Tommy Hawkins, it was unanimously voted to adopt the following Consent Agenda as amended:

- A.** Minutes of the Regular Meeting of December 17, 2018 and the Emergency Meeting of January 9, 2019.
- B.** A Budget Amendment in the amount of \$8,000 to appropriate insurance proceeds relating to several incidents. The budget amendment is necessary to receive the insurance proceeds and to budget the corresponding expenditures for repairing various City assets. (This will be an increase in the total General Fund Budget.)
- C.** A Budget Amendment in the amount of \$52,500 to budget additional resources for Sanitation (\$37,500) due to mid-year changes in recycling; as well as, to budget additional resources for field/park maintenance (\$15,000).
- D.** A Budget Amendment in the amount of \$75,000 to transfer monies from the Water Fund to the Water Capital Project Fund to complete City Lake dam repairs based upon final revised estimates.
- E.** Authorize the Mayor to enter into an Audit Contract with Martin Starnes and Associates for the fiscal year ending June 30, 2019.

Authorize Rodney Gordon, Chairman of TDA, to enter into an Audit Contract with Martin Starnes and Associates for the fiscal year ending June 30, 2019 for the Tourism Development Authority.
- F.** Authorize Chris Costner, Finance Director to open a Cash Sweep Account with Bank OZK, which allows the City to earn a higher interest rate than the existing “General Utility” checking account,

while still ensuring that all funds are fully FDIC insured. (NOTE: This account type is specifically permitted under the NC General Statutes.)

Authorize Chris Costner, Finance Director to open an additional account with the North Carolina Capital Management Trust in order to

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potentially invest idle funds, as the trust is currently paying a slightly higher rate than most financial institutions. Local Governments are permitted to have accounts with the Trust as an allowable investment under NC General Statutes.

G. Adopt a Joint Resolution between the City of Kings Mountain and Cleveland County concerning building inspections.

H. Approve the following re-appointments:

- ~~Gregg Johnson (term expiring 12/31/2019), Mary Lillian Nantz and Sarah Lynch (term expiring 12/31/2020) to the Historic Landmark Commission~~
- ~~Joseph Allen (term expiring 12/31/2021) to the Planning and Zoning Board, and accept the re-appointment by Cleveland County Board of Commissioners of Doug Lawing, Cleveland County ETJ Member (term expiring 12/31/2021)~~
- ~~Doug Lawing, Cleveland County ETJ Member (term expiring 12/31/2020) to the Board of Adjustment (Removed from Consent Agenda and placed as Item 11 on the Regular Meeting)~~

I. Schedule a Public Hearing for Tuesday, February 26, 2019 at 6:00 p.m. to consider a modification of the City of Kings Mountain Zoning Ordinance to require a Conditional Use Permit in the R-10, R-9, RS-8, R-8, RS-6, and R-6 residential districts for the following uses:

- Recreational Facilities (Public) and include a definition of “active public recreational Facilities that would require a conditional use permit.”
- Recreational Facilities (Private) when the principal use is a permitted use in a zone.
- Swim and Tennis Club
- Government Offices-Correctional

and to consider a modification to the City of Kings Mountain Zoning Ordinance to require a Conditional Use Permit in the R-20 residential district for the following uses:

- Amusement and Water Parks
- Miniature Golf Facilities

- Recreational Facilities (Public) and include a definition of “active public recreational Facilities that would require a conditional use permit.”
- Recreational Facilities (Private) when the principal use is a permitted use in a zone.

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- Swim and Tennis Club
- Government Offices-Correctional

- J.** Schedule a Public Hearing for Tuesday, February 26, 2019 at 6:00 p.m. to consider a Zoning Ordinance Text Amendment for Article VIII – “Special Requirements – SR18” – Drive-In Theaters.
- K.** Schedule a Public Hearing for Tuesday, February 26, 2019 at 6:00 p.m. to consider a Zoning Ordinance Text Amendment authorizing restaurants with a drive-thru in the Neighborhood Business District, with a Conditional Use Permit.
- L.** Schedule a Public Hearing for Tuesday, February 26, 2019 at 6:00 p.m. for a request by Daniel and Heather Joachin to rezone property located at 103 Gethsemane Lane (City of Kings Mountain ETJ) from (R-10) to Conditional Use (R-20) for the purpose of placing of a HUD approved double wide mobile home for residential use. Property also known as Parcel ID 63935 - Case # CUR 1-1-19.

Item 11

Mayor Neisler opened the floor regarding the re-appointments that were removed from the Consent Agenda Item 9H. Councilmember Keith Miller stated that it was discovered that there is a question about the term limits of the Planning and Zoning Board. It seems prudent that we approve this item with the condition that staff confirms the term limits of the Planning and Zoning Board.

Upon Motion by Councilmember Keith Miller, and seconded by Councilmember Rodney Gordon it was unanimously voted to approve the re-appointments, as read by the Mayor, subject to the condition that staff is able to verify that are no term limits applicable to the Planning and Zoning Board appointments.

ADJOURNMENT

Upon Motion by Councilmember Mike Butler, seconded by Councilmember David Allen, it was unanimously voted to adjourn at 7:28 pm.

BY: _____

G. Scott Neisler, Mayor

ATTEST:

Karen A. Tucker, CMC