

**TOWN OF HILDEBRAN
WESTERN PIEDMONT
COUNCIL OF
GOVERNMENTS
CONF ROOMS A1/A2**

**JUNE 3, 2016
6:00 P.M.**

**RECESSED SPECIAL MEETING
BUDGET WORKSHOP
MINUTES**

- CALL TO ORDER** Mayor Cook called the recessed special meeting/budget workshop to order at 6:00 p.m.
- COUNCIL PRESENT** The following members of the Board were present: Mayor Virginia Cook, Council Members Brenda Banks, Barbara Lowman, Lee Lowman and Jody York. There is one vacant seat.
- STAFF PRESENT** The following staff members were present: Attorney Redmond Dill, Town Administrator Tom Drum, Town Clerk Alice Sanders, and Finance Officer Fredrick Rankins.
- CITIZENS & MEDIA PRESENT** See attached sheet.
- ADOPTION OF AGENDA** Council Member B. Lowman made a motion to adopt the agenda. All voted in favor.
- ORDER OF BUSINESS:**
- YEARLY LEASES FOR EBYAO AND HILDEBRAN/ICARD LITTLE LEAGUE** The fees for the yearly lease agreements with East Burke Youth Athletic Organization (EBYAO) and Hildebran-Icard Little League (HILL) need to be determined. Currently, EBYAO is renting the old girls locker room and an office in the gymnasium for \$5.00 a month and HILL rents the fieldhouse and concession building for \$1.00 a year. Ms. Sanders asked if the Board wanted to continue the requirement that these non-profits, as well as HHDA, provide documentation that their organizations have filed the 990 form with the IRS and Council was in agreement. Council Member York asked what the repercussions to the Town would be if an organization cannot provide proof. Mr. Drum replied that the organizations provide a service to the Town with programming for the youth and the Board can decide to rent to them anyway or not rent to them. Mr. Dill stated that at some point, these organizations need to be responsible and file the appropriate forms. Another option is to rent to them for the same price as everyone else.
- Ms. Sanders clarified that EBYAO rents the gym with separate fees and that the lease in question is for the locker room and office in the gym. Mr. Drum stated that EBYAO rents the gym for \$45.00 a day versus the regular rent of \$40.00 an hour. Council Member L. Lowman stated that he wanted consistency with everyone.

Tim Limbo from EBYAO stated he is working with the organization's CPA to get the 990 forms submitted. He recently took over the organization after resignations from other Board members. He reviewed the time they use the gymnasium.

Ms. Sanders reported that in the past, the lease amount for EBYAO was \$1.00 per year and last year, since the organization was unable to provide their forms, the Council changed the amount to \$5.00 per month until the forms were provided. She asked the Board if it wished to keep the lease at \$5.00 per month or revert back to \$1.00 per year, if the appropriate forms were provided. Mr. Drum suggested that if the organization provides the 990 forms, then it will receive the discounted rate for non-profits.

Council Member L. Lowman made a motion to lease the old girls locker room and an office in the gymnasium to EBYAO for \$5.00 per month, contingent upon it providing the past three years of its 990 forms and to lease the fieldhouse and concession building to HILL for \$1.00 per year, contingent upon it providing the past three years of its 990 forms. All voted in favor.

Mr. Rankins stated that EBYAO pays rent for the gymnasium for weekday and weekend rates during the basketball and indoor soccer seasons. Mayor Cook stated that the organization currently rents the gym for \$45.00 a day and asked if the Board wished to continue renting to them for that rate, providing the appropriate 990 forms are provided. Council Member L. Lowman stated he thought that rate was not enough because it would not cover the power bill. Mayor Cook stated that it is the Board's decision, but the organization is struggling financially. Council Member B. Lowman stated she would like to keep the rate the same.

Council Member Banks made a motion to keep the rental rate for EBYAO to use the gym at \$45.00 per day until July 1, 2016. At that point, EBYAO must provide the past three years of its 990 forms to keep the rate the same during the 2016-2017 budget year. If the forms are not provided by July 1, 2016, the rental rates will default to the rates set for all non-profits as set by the Town. Council Members Banks and York voted in favor of the motion. Council Members B. Lowman and L. Lowman voted against the motion. Council Member B. Lowman stated that she wanted to keep the rate the same because they are providing a service to the youth and at times, they are paying that rate per day even though they may not use it all day. Council Member L. Lowman stated that other people have wanted to rent the gym but could not because it was rented to EBYAO. He also stated that he has had people approach him about issues with EBYAO and HILL and that was one reason the Town began requiring the 990 forms. Council Member B. Lowman stated that the issues with HILL is not the Town's business and that she hated for the organization not to be able to use the gym, but wanted to be fair to everyone and treat everyone the same. Council Member Banks rescinded her motion.

Council Member Banks reinstated her previous motion, but also included HILL. After discussion, Ms. Banks changed her motion to eliminate HILL. Mr. Drum stated that the rent for the concession stand in the gym is currently \$10.00 per day and that the rent was not addressed in the motion. Mr. Limbo stated that the food that is sold in the concession area in the gym is left there during the season. Ms. Banks changed her motion to include a \$10.00 per day rental fee of the concession stand making the total rent per day \$55.00. Council Member B. Lowman asked if the organization needs to remove their food each week in case another person rents the gym and/or concession stand and Council was in agreement. Mr. Drum suggested that the Board set the new rate, effective July 1, 2016, to read that a non-profit organization can rent the gym for \$50.00 a day, with the use of the concession stand. Council Member Banks rescinded her motion. Council Member B. Lowman wanted to clarify that food in the concession stand needs to be removed daily and the Board agreed.

Council Member B. Lowman made a motion to set the rental rate of the gymnasium for non-profit organizations at \$50.00 a day, with the use of the concession stand, providing the organization can provide the past three years of its 990 forms, effective July 1, 2016. All voted in favor.

Council Member L. Lowman made a motion to set the lease rate of the fieldhouse and concession building for HILL at \$1.00 a year, providing the organization can provide the past three years of its 990 forms. If the 990 forms cannot be provided, the lease amount will be set at \$1.50 per square foot. All voted in favor.

**METER
REPLACEMENT**

Mr. Drum spoke with the Chairman at Icard Water who is allowing the Town to purchase two 2" used meters, which is half the price of new meters. The backflow prevention devices still have to be put on, according to the water corporation's policy. The total cost should be around \$6,000 to \$7,000. Council Member L. Lowman made a motion to approve the purchase of the meters and backflow prevention devices, as well as the installation costs, not to exceed \$7,000, to fix the water problem at the current Town Hall building. All voted in favor. Attorney Dill directed the Board to ratify this action at the June 27, 2016 meeting. If a budget amendment is needed, it will be brought to the Board at the next meeting.

**COST ESTIMATE
TO RETROFIT THE
FIRST CITIZENS
BANK BUILDING**

A sketch and cost estimate from David Deal at Moss Marlow was provided to the Board. Mayor Cook stated that Mr. Deal opined that it was cheaper to retrofit the bank building than to try to renovate an older building. Mr. Drum stated that Mr. Deal met with him, the Mayor and staff to determine a layout for the offices and lobby area as seen on the sketch. He tried to use as many existing walls as possible. An architect will need to design the plan and the fee for an architect is included in the estimate. The cost estimate provided was \$144,000, which Mr. Drum thought would be increased to \$155,000 with other things that need to be done. He asked Mr. Deal what the additional costs would be if the inside

was demolished and an architect drew a plan based on our needs in order to find a better layout. Mr. Deal stated that the costs would be an additional \$5,000 to \$10,000. A summary of costs includes \$220,000 to purchase and \$150,000 - \$160,000 to renovate, for a total of \$380,000.

Mr. Drum reported that he also asked Mr. Deal what he thought the cost would be to renovate the current Town Hall building and his estimates were well above the \$390,000 due to the top floor. He pointed out that the Council's Chamber would still need to be used at the current building. He stated that for a price comparison, buying the bank would be the cheapest option. He stated there were still a lot of things that need to be done before using the current Town Hall facility. The Board needs to consider if the architect should use the design provided or gut the building and let the architect provide a better design. The cost estimate expense was \$1,800. The price to have an architect to do a design is \$12,000.

Council Member L. Lowman asked if the rooms would be ADA compliant and Mr. Drum confirmed. Mr. Drum stated that it would be better to gut the inside and start over than trying to renovate using the existing layout. Council Member York asked how much it would be to renovate the current Town Hall building and Mr. Drum replied that Mr. Deal opined that it would be around \$450,000 or more. Attorney Dill stated that price includes renovating the top floor which is currently not utilized. Mayor Cook stated that Mr. Deal had previously viewed the top floor and at that time, he opined that it would be around \$350,000 just to fix the top floor. She stated that in the current Town Hall offices, it is almost impossible to concentrate and get work completed due to everyone working in one room and the interruptions of people coming and going. She stated that the Town has waited for over twenty years for someone to do something and it is time for the Board to make a decision to either purchase the bank building or to renovate the current offices. Council Member York asked what will happen to the current building if the bank building is purchased. Mayor Cook replied that the Town needed a long-range plan to start renovating the building. Attorney Dill asked what the building would be used for after renovation. The Senior Center will be moving out of the basement soon, leaving that area vacant. He asked if there was a great need in Town for office space and he felt that there was not. The Town would have to spend money to maintain the Council's Chamber because there is not enough room at the bank building. Council Member B. Lowman stated that she would like to see the museum moved to the current Town Hall offices for more visibility. Mayor Cook and Council Member Banks agreed.

Mr. Drum stated that the Board has three options. The insurance money will be used to bring the current offices to where it was. The first option is to continue to use it as it was before, with it being a money pit. The second option is to add a meeting room to the bank building, if the Town buys the bank. The last option for the current offices would be to sell it,

give it to someone, rent it, or tear it down. He stated that it was a suggestion to the Town that if it really wanted to get rid of the money pit and provide a piece of property that a developer really wanted the best option was to level the area.

Mayor Cook stated that if the Town sells the property, a contract would be needed to allow for the Town to continue to use the Council's Chamber and the parking lots. Council Member Banks stated that the Town could offer it to HHDA. Attorney Dill stated that the Board needs to quickly decide if it will be purchasing the bank building and if it wants an architect to do a reconfiguration that is more user friendly. Mr. Drum stated that the work of the architect would need to be put out for bid for services.

Council Member L. Lowman stated that it had been brought to his attention that the detectives like where they are at and it might be a possibility for them to expand. He pointed out that \$144,000 was just a baseline number. He stated that if someone else buys the bank property, part of EBCM will have to move due to property lines. Mr. Lowman reviewed the sketch provided by Mr. Deal and stated that the layout did not flow well and provided a few suggestions. He felt that an architectural drawing was needed.

Council Member York asked why the Town needed a vault the size of the one at the bank. Mayor Cook explained that all of the Town's records need to be kept as secure as possible. The Town asked state representatives about moving its older records off site in a secure place and was told that action was not possible. The current location of the older records are stored in a windowless room in the bottom of the auditorium. She explained that having a secure vault for the Town's records is extremely beneficial to protect the records.

Mr. Drum reported that the bank financing and required resolution is ready. The interest rate is between 2.28% and 2.38%. Mayor Cook stated that the quoted rate for the removal of the bank deposit boxes does not include removing them off site. She felt it would be better to contact someone to salvage them.

Council Member L. Lowman made a motion to authorize Mr. Drum to contact three architects to bid for services for the design layout and to oversee the project for retrofitting the bank building. Council Members Banks, B. Lowman and L. Lowman voted in favor. Council Member York was opposed. The motion carried.

**REVIEW THE
PROPOSED
BUDGET**

Mr. Drum reviewed with the Board that one number from the budget that was originally provided to Council had been revised. The revision was a reduction of \$4,000 in overtime which also reduced the appropriated fund balance by the same amount.

HILDEBRAN POOL Council Member L. Lowman asked about the \$2,000 appropriated for the pool. Mr. Drum explained that it was a number pulled from the air as a starting point for the Board to have an all-encompassing, balanced budget which incorporates everything that was discussed over the past three months.

Mr. Limbo stated that he is working on getting quotes to fix the pool. He explained that the pool is the property of their Board and it is community property. He explained that the Board for EBYAO is the same as the Board for the Hildebran-Icard Community Development Center (HICDC), however, they are two different entities. The deeds for the property were transferred to Mr. Limbo with the stipulation that the property must remain as a community center for the youth. Mayor Cook wanted to clarify that the pool does not belong to the Town. Mr. Limbo stated that the organization has no money at this time to repair the pool but he is working with Mr. Jacomine with funding options and assistance. He stated that it is too late in the season to attempt to fix the pool in time to open it this summer and that they are looking at ten months out and would be appreciative of any funds the Town could provide.

Council Member L. Lowman asked Mr. Drum if the Board keeps the money in the budget, is there a way to not lock those funds for the pool. Mr. Drum replied that if the budget was approved with the \$2,000 appropriated for the pool, then the money could not be spent on anything else unless the Board voted to move the money to a different account to spend. Mr. Lowman asked if there was another place in the budget that the money could be appropriated and then when the organization provides estimates for the work, the Board can then appropriate the money. Mr. Drum replied that the money could be taken out of the budget, which would decrease the appropriated fund balance by the same amount. The Board can always appropriate fund balance at any time throughout the year and if the organization comes back to the Board later in the budget year, it can consider appropriating money back into the budget. Mr. Lowman stated that when the organization gets its estimates together and is ready to begin repair, Mr. Limbo can come back before the Board and request help and the Board can look at appropriating money at that time. Mr. Lowman stated that the Board might be able to offer more than \$2,000. Council Member L. Lowman made a motion to remove \$2,000 for pool repair from the FY 2016-2017 budget and wait until Mr. Limbo gets more information and estimates to repair the pool and for Mr. Limbo to approach the Board for assistance at that time for consideration. All voted in favor.

EASTER EGG HUNT Council Member York asked why the East Egg Hunt line item was increased by \$1,000. Mr. Drum replied that the process of creating a balanced budget is to anticipate certain things and he was anticipating that the costs would increase because it is another year. He also explained the process of reserve funds and that there was a facilities maintenance item in

the current budget in the reserve funds and it was estimated that \$500 of the facilities marketing line item was used for the event. For the FY 2016-2017 proposed budget, Mr. Drum pulled the facilities marketing item out of the reserve funds and placed \$500 in the Easter Egg Hunt line item, which is part of the reason it increased.

OVERTIME

Council Member York asked why overtime increased \$4,000. Mr. Drum replied that the overtime line item was reduced by \$4,000, keeping the line item the same amount as last year.

FIREWORKS

Council Member L. Lowman asked if the same amount for cruise-ins and fireworks is still being placed in the budget just in case and Mayor Cook confirmed. The Town has paid \$1,000 towards a fireworks show that will be held as soon as the facility is safe.

SALARY
INCREASES

Mr. Drum gave a background on the salary increases. The League of Municipalities does an annual salary survey that gives a good handle for what municipalities are paying for certain positions. This survey compares municipalities to municipalities. After doing research, he came up with his numbers and since the survey was done in September, he allowed a 2% increase for cost of living.

DEPUTY

Council Member L. Lowman asked about the budgeted line item for the Town's deputy. Mr. Drum replied that one full-time position is budgeted. It was confirmed that the Town does not pay for the part-time position. Mr. Lowman asked how the Town would pay for a second full-time deputy, if the need arises, and Mr. Drum replied that it would come from the fund balance.

PUBLIC HEARING

Mayor Cook reported that the proposed FY 2016-2017 budget will need to be approved at the June 27, 2016 meeting. Council Member L. Lowman made a motion to call a public hearing for the purpose of hearing comments from the public concerning the FY 2016-2017 budget on June 27, 2016 at 7:00 p.m. at the Western Piedmont Council of Governments in Conference Room A1. All voted in favor.

ANNOUNCEMENTS
DAIS AND DESKS

Ms. Sanders provided photos of a dais and two desks from the City of Kannapolis that are available at no cost. Dimensions were provided and it was confirmed that the dais comes apart like cabinets. Due to the water damage from the fire in the Council's Chamber, it may be necessary to replace all the flooring and possibly the current dais. Mayor Cook stated that the only cost should be to rent a truck to go pick the furniture up. It was determined to place the furniture in the meeting room until it was needed. Council Member B. Lowman made a motion for the Town to rent a truck for Mr. Bivens and Mr. Walker to pick up the furniture and to store it in the meeting room until needed. All voted in favor.

PART-TIME
POSITIONS

Council Member York stated that at the last meeting, it was clarified that the administrative part-time position was not needed and asked if the seasonal part-time position was needed. Mayor Cook replied that most of the seasonal position's duties involves mowing. The community service workers are not allowed to operate mowers. The Board also added mowing, trimming and spraying along Hwy 70 from KFC to the other end of Town. In addition, the seasonal person allows Mr. Bivens to take vacation during the spring and summer seasons.

MOWING NEAR
RAILROAD

Mayor Cook stated that she was with Mr. Drum when he was talking to the railroad about the Town having permission to mow along the railroad at Hwy 70A in which permission was not granted due to liability. It was brought to her attention that someone called the person that initially gave the Town permission in 2012 and that person said that the Town could get permission. Mr. Drum provided an update. He spoke to a legal assistant at the railroad and she stated that the person that wrote the letter in 2012 did not have the authority to write the letter. He has spoken to various people and they gave the Town essentially the same answer. A senior real estate person for Norfolk Southern railroad stated that the Town could enter into a lease with the railroad to allow the Town to mow. There are some restrictions and an application process, as well as a cost. It could take about one to two months to get the lease. This person stated that the railroad mows a section on each side of the road. Attorney Dill stated that he felt it was wrong to pay the railroad to do its maintenance. Council Member L. Lowman confirmed that in his line of work, the railroad requires a flag man to be onsite during any type of work near the railroad.

BRIDGE AT N.
CENTER ST.

Mayor Cook stated that she has been informed that an application is needed to request a new bridge on North Center Street, which could take years, and right-of way from the railroad is required.

Attorney Dill wanted to clarify with the Board that other than the one change of removing the pool appropriation, the Board is satisfied with the budget presented by Mr. Drum and there will not be any changes at the regular meeting. The Board confirmed there were no issues.

Council Member B. Lowman announced that the Town cleanup is scheduled for Saturday, June 4th at 9:00 a.m. and to meet at the pool parking lot.

Mr. Drum thanked staff for their assistance during the budget process.

ADJOURNMENT

There being no other business, Council Member Banks made a motion to adjourn at 8:03 p.m. All voted in favor.

I attest these are the approved minutes of the Board.

Alice Sanders, Town Clerk

Virginia Cook, Mayor