

**TOWN OF HILDEBRAN  
WESTERN PIEDMONT  
COUNCIL OF  
GOVERNMENTS  
CONF ROOM A1**

**JUNE 27, 2016  
7:00 P.M.**

**REGULAR MEETING  
MINUTES**

**CALL TO ORDER AND  
INVOCATION**

Mayor Cook called the regular meeting of the Town Council to order at 7:00 p.m. Jim Gorsuch, President of the Board at Icard Township Water Corporation, led a prayer.

**PLEDGE OF  
ALLEGIANCE**

Attorney Redmond Dill led the pledge of allegiance to the United States flag.

**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 Thomas Drum, Town Clerk Alice Sanders, Finance Officer Fredrick Rankins, and Planner Erin Schotte.

**CITIZENS & MEDIA  
PRESENT**

See attached sheet.

**ADOPTION OF  
AGENDA**

Council Member L. Lowman made a motion to amend the agenda to remove "Consider Resolution to Finance Bank Building Purchase" due to a lack of information. Council Member B. Lowman made a motion to adopt the agenda as amended. All voted in favor.

**APPROVAL OF  
MINUTES**

Ms. Sanders stated that there were a few typos that she would correct on both sets of minutes that did not affect the content. Mr. Rankins had requested three changes on the June 3, 2016 recessed special meeting to include: page 5, last paragraph, add the word "appropriated" before "fund balance"; page 6, paragraph three, add the word "appropriated" before "fund balance"; and page 7, first paragraph, change "facilities maintenance" to "facilities marketing" in the first and second sentences. Council Member York asked for a change on the June 3, 2016 minutes. On page 5, on the third full paragraph, to add to the end of the first sentence, "the size of the one at the bank". Council Member B. Lowman made a motion to approve the May 23, 2016 regular meeting and the June 3, 2016 recessed special meeting/budget workshop minutes as amended. All voted in favor.

PUBLIC HEARING  
FY16-17 BUDGET

Mayor Cook opened a public hearing at 7:07 p.m. for the purpose of hearing comments from the public regarding the FY 2016-2017 Budget.

Richard Bell stated that removing funding for the swimming pool hurts the children of the Town and raising the rent on East Burke Christian Ministries subtracts from its ability to help people.

Stephanie Higdon asked why there was not a line item for attorney fees for the old school building lawsuit. Mr. Drum replied that a capital project budget or special revenue fund budget will be created, which is separate from the operating budget. This budget will cross through fiscal years and will be adopted within the few next months. This budget will be for cleanup and renovation of the site, as well as attorney fees.

Council Member York asked if anyone had taken into consideration that the increased rent might result in an organization not renewing their lease which would result in lost revenue. Mr. Drum responded that some decreases in revenues were considered in the budget.

Mayor Cook reported that East Burke Christian Ministries is not moving out since some rumors have started about them leaving.

CLOSE PUBLIC  
HEARING

There being no other comments, Mayor Cook closed the public hearing at 7:12 p.m.

CONSIDERATION OF  
FY16-17 SEWER RATES  
AND BUDGET

Mayor Cook stated that the sewer rates provided to Council were the same rates as the current year. Council Member York made a motion to approve the FY 16-17 sewer rates. All voted in favor. A copy of these rates are hereby referenced and made a part of these minutes (Attachment A).

Mayor Cook stated that the proposed FY 16-17 budget ordinance was provided to Council for approval. Council Member Banks made a motion to approve the FY 16-17 budget ordinance. All voted in favor. A copy of the budget ordinance is hereby referenced and made a part of these minutes (Attachment B).

Mr. Drum asked which version of the budget ordinance was approved and Mayor Cook stated that the recommended version by Mr. Drum was approved.

OLD BUSINESS:  
AWARD ANNUAL  
SERVICE CONTRACTS

Mayor Cook reported that the annual service contracts for street maintenance and exit 119 interchange, snow removal, park maintenance, and weekend cleaning of the restrooms at the park were put out to bid for a second time. The sealed bids were returned on June 14<sup>th</sup> and a tally sheet of the results were provided to the Board.

SNOW REMOVAL

Mr. Drum stated that there were two bids for snow removal and the lowest bidder did not provide the appropriate documents required. He recommended that the Board authorize him to negotiate with the high bidder to come to an agreement and report to the Board in July. If the negotiation is not agreeable to the Board, it can authorize staff to rebid in July. Council was in agreement to authorize Mr. Drum to negotiate with L&M Construction of Blair LLC regarding snow removal services.

Mr. Drum reviewed with the Board that the original bidding process for all service contracts included solicitation from about thirty contractors in four to five counties with little response. The bids for the second round were solicited by the people who showed interest during the first round. He stated that there is no statutory requirement that these service contracts be put out to bid but the Town did bid these contracts out by sealed bids. He stated that he felt any contractor would do a fine job for the Town, but there was nothing that he could see that the Town should not go with the lowest bidder.

WEEKEND CLEANING  
OF THE RESTROOMS AT  
THE PARK

There were three bids submitted for the weekend cleaning of the restrooms at the park, with only two qualified bidders, which varied greatly. Council Member Banks made a motion to approve the contract with The Groundskeeper LLC to clean the restrooms at the park on the weekends in the amount of \$3,900. All voted in favor.

The other bid submitted was from Spotless Cleaning Service in the amount of \$6,240.

PARK MAINTENANCE

There were three bids submitted for the park maintenance contract, with only two qualified bidders. Council Member York made a motion to approve the contract with The Groundskeeper LLC to provide park maintenance in the amount of \$12,390. All voted in favor.

The other bid submitted was from L&M Construction of Blairs LLC in the amount of \$13,500.

STREET, RIGHT-OF-WAY MAINTENANCE

There were two qualified bids submitted for street, right-of-way maintenance. Council Member York made a motion to approve The Groundskeeper LLC to provide street maintenance and maintenance at I-40 Exit 119 interchange in the amount of \$24,900. All voted in favor.

The other bid submitted was from L&M Construction of Blairs LLC in the amount of \$24,977.

RESOLUTIONS APPROVING ANNUAL LEASES OF TOWN PROPERTY

Mayor Cook informed the Board that N.C.G.S. 160A-272 requires that Town property be leased pursuant to a resolution approved by the Board. The Town has five properties that it leases each year. Ms. Sanders read and summarized the five resolutions for approval for property leases beginning July 1, 2016 and ending June 30, 2017.

Resolution #06-27-16: East Burke Christian Ministries will lease the property at 103 Third Ave SE, Hildebran for a rate of \$1.50 per square foot, with 1,513 total square footage, at a total annual consideration of \$2,269.50.

Resolution #06-27-16A: East Burke Senior Center will lease the lower level of the property located at 202B South Center Street, Hildebran for a rate of \$1.50 per square foot, with 6,826 total square footage, at a total annual consideration of \$10,239.00.

Resolution #06-27-16B: East Burke Youth Athletic Organization (EBYAO) will lease the old girls locker room and an office in the gymnasium located at 208 South Center Street, Hildebran, for a rate of \$5.00 per month, for a total annual consideration of \$60.00 per year, provided, that EBYAO shall submit to the Town proper documentation that it has filed the IRS 990 form for each of the past three (3) years. Ms. Sanders stated that Mr. Limbo has provided the organization's 1023-EZ application for tax exempt status. She explained that once the organization is deemed to have its exempt status, then it will begin filing yearly 990 forms next year.

Resolution #06-27-16C: Hildebran Heritage & Development Association (HHDA) will lease rooms 102, 104, 105, 106, 107 and 108 in the basement of the auditorium located at 200 South Center Street, Hildebran for a rate of \$1.50 per square foot, with 3,097 total square footage, at a total annual consideration of \$4,645.50, provided, that HHDA shall submit to the Town proper documentation that it has filed the IRS 990 form for each of the past three (3) years.

Resolution #06-27-16D: Hildebran-Icard Little League (HILL) will lease the building located at 210 First Street SW, Hildebran for a rate of \$1.00 per year, provided, that HILL shall submit to the Town proper documentation that it has filed the IRS 990 form for each of the past three (3) years.

Council Member B. Lowman made a motion to approve the five (5) resolutions and lease agreements. Council Members Banks, B. Lowman and York voted in favor of the motion. Council Member L. Lowman opposed the motion. The motion carried. A copy of these resolutions are hereby referenced and made a part of these minutes (Attachments C, D, E, F and G).

ARCHITECT DESIGN  
FOR BANK LAYOUT

Mr. Drum provided four potential floor layouts for the bank which were provided by James Ratliff, Architect, NCARB. He reviewed the layouts with the Board and stated that the costs to retrofit the bank could range between \$150,000 to \$250,000, or more. Attorney Dill provided a copy of an inspection submitted by Hicks Inspection Services. Mr. Dill asked for the authority to contact general contractors to determine costs to fix the issues that were found in the inspection. Based upon the results, he suggested that the resolution to approve the financing of the bank be removed from the agenda. He stated that there were a number of issues and the Board needs to know how much it will be to repair the problems in order to factor in the costs during the due diligence period and to determine if the Board wants to move forward with the purchase of the building, and if so, how much he will be authorized to pay for the building. He stated that he would send a copy of the inspection to the realtor and let him know of his concerns. Mr. Dill reported that the radon and termite inspections were fine. Other inspections, including mold and asbestos testing, are ongoing.

Council Member York provided a layout of the bank building that she had prepared and stated that her plan has less changes, has a better use of space and allows for the copier to be centrally located. She stated this plan would be a less expensive option. Council Member L. Lowman stated that there are many security concerns with this layout. He explained the many areas that the public could access town offices. Council Member B. Lowman stated that she did like that the copier was more centrally located in Ms. York's plan, but agreed with Mr. Lowman about the security issues.

Council Members Banks, B. Lowman and L. Lowman requested that Mr. Drum provide cost estimates for the revised Scheme A that was provided by Mr. Ratliff. Council Member York was not in favor of getting cost estimates.

It was the consensus of all Board members to instruct Attorney Dill to contact general contractors to determine costs to repair the issues found by Hicks Inspection Services.

RATIFY WATER METERS AND BACKFLOW PREVENTION DEVICES AND INSTALLATION

In order to repair a water issue at Town Hall, the Board voted to approve the purchase and installation of two 2” used meters as well as backflow prevention devices at the June 3, 2016 budget workshop. Attorney Dill advised the Board to ratify its actions at the regular meeting. Mr. Drum stated that the costs would be reduced by using used meters from Icard Township Water Corporation. A quote was provided by Ronnie Franklin, F&S Contractors, LLC, for \$6,500 to purchase and install the two meters, boxes and backflow prevention devices. It is unknown if an \$850 charge for the 2” gate valve, included in an earlier quote, is included in the \$6,500 quote. He suggested the Board approve the contract up to \$7,400. Council Member L. Lowman made a motion to approve a contract with Ronnie Franklin at F&S Contractors LLC to purchase and install two 2” water meters and box, and backflow preventive devices for \$7,400, plus applicable taxes. All voted in favor.

BUDGET AMENDMENT (BAT ABATEMENT)

Mayor Cook reported that there are bats at the Town Hall building and a budget amendment is provided to remove the bats. Council Member L. Lowman stated that the bats were supposed to have been taken care of already. Mr. Rankins stated that the contractor previously completed about 85% of the work and due to the season of the bats, the work could not be completed during a certain timeframe. The budget amendment for \$11,737 is for the completion of the contract, which was originally \$16,000. There is not a line item in the FY 15-16 budget for bats, which is why the amendment is needed. Mr. Lowman asked that staff inform the Board when projects are not completed.

Council Member B. Lowman made a motion to approve the budget amendment in the amount of \$11,737 for the balance of the contract to abate the bats. Council Member B. Lowman asked if there would be a guarantee once the work is done. Attorney Dill asked that the contractor be present at the next meeting to explain his work process. All voted in favor. A copy of this amendment is hereby referenced and made a part of these minutes (Attachment H).

FENCE BETWEEN HILDEBRAN UNITED METHODIST CHURCH AND AUDITORIUM

Mayor Cook reminded the Board that Hildebran United Methodist Church has requested a fence be erected between the church and the auditorium due to increased foot traffic after the fire. Mr. Drum informed the Board that it had appropriated \$3,000 in the FY 16-17 budget. He stated that the work could

begin, effective July 1, if the contract is approved this month. Council Member L. Lowman made a motion to approve the contract with American Fence Co. of Hickory, LLC for \$2,991 to begin work on July 1, 2016. All voted in favor.

**BUDGET AMENDMENT  
(ZION/NEUVILLE AVE  
GRANT COMPLETION)**

Mayor Cook reported that the sewer project for the Zion/Neuville Ave grant project has already been completed and a budget amendment is needed for the pass-through funds. Council Member York made a motion to approve the budget amendment in the amount of \$32,803. All voted in favor. A copy of this amendment is hereby referenced and made a part of these minutes (Attachment I).

**BUDGET AMENDMENT  
(PLAYGROUND  
EQUIPMENT)**

Mayor Cook explained that the budget amendment for playground equipment is for two items. The first is for borders to connect the sidewalk to the super dome. The second is to cover the unfunded portion of the superdome due to engineering fees for the walking trail being paid out of the park equipment fund earlier this year. Council Member Banks made a motion to approve the amendment for playground equipment in the amount of \$1,235. All voted in favor. A copy of this amendment is hereby referenced and made a part of these minutes (Attachment J).

**MINIMUM STANDARD  
OF OCCUPANCY  
ORDINANCE**

Planner Schotte reported that the Planning Board recommended adoption of the Minimum Standard of Occupancy Ordinance at its June meeting. She stated that she wanted to let Council review the ordinance over the next month. After the Planning Board recommended the ordinance, she has found that Burke County does not have the manpower to enforce the ordinance for the Town. She stated that she would be able to do a large portion of the enforcement, but there would be a need for the Town to hire a licensed contractor. She would like to take the ordinance back to the Planning Board in July to review the changes on the enforcement. Attorney Dill stated that the Town will contract out, on a case-by-case basis, with an independent inspector with all the trade licensing to make sure the house falls below those standards, and, who is qualified to testify in the event the Town has to go to an administration hearing or a court hearing. Ms. Schotte stated that the contractor would be approved by Council. It is not required that a public hearing be called by statute, but Council has that option. Mr. Drum stated that if Council decides to hold public hearings when it is not required by the statutes, the public becomes accustomed to having a public hearing, which could slow down processes. Council Member York made a motion to call a public hearing to hear comments concerning the Minimum Standards of Occupancy Ordinance at the July 25, 2016 regular meeting at

7:00 p.m. at the Western Piedmont Council of Governments. Council Member L. Lowman asked for the ordinance to be completed at the July meeting.

FINAL RENDERINGS OF  
THE NC STATE  
AUDITORS

Mayor Cook informed the Board that the North Carolina State Auditors have finalized their investigation and she turned the floor over to Mr. Drum. Mr. Drum reported that there was a complaint against the Town that was filed through the state auditor's hotline. There were allegations of fraud, waste or abuse, but no criminal allegations, according to the auditors. In a telephone conference call to the Town, instead of a personal meeting with the Board, the auditors stated that after the allegations were made against the town, they found that there was no fraud, abuse or waste. They found two items that were in violation of town policies, but, the board knew of those two items the whole time and corrected them within the month. The auditors will not report their findings on their website and they do not consider this a serious set of circumstances. They found that the Town is acting very much with the compliance of the law and the allegations were not confirmed by the state auditor's office.

NEW BUSINESS:  
VOLUNTEER ANNEX  
REQUEST-DIRECT  
CLERK TO CERTIFY  
THE SUFFICIENCY OF  
THE PETITION

Mayor Cook informed the Board that the Town had received a volunteer annexation request and she turned the floor over to Planner Schotte. Ms. Schotte explained that Jerry Baker, from Burke Oil, submitted a petition to annex the McDonald's and Jack B Quick property, just off of I-40 at Exit 116. She confirmed that the petition does meet all the requirements in the statutes for non-contiguous annexation and reviewed those with the Board. Police patrol and code enforcement will need to be provided by the Town. The property is currently being served by Icard Township Water Corporation and Burke County sewer. She explained that the decision on this petition would have no direct correlation on future petitions and the Board can still take on each incidence on a case by case basis. The reason he is requesting the annexation is to be able to sell beer and wine at the gas station to make more money and the Town will make more money from taxes. If the Board is interested, the next step required by statute is to direct the Clerk to certify the sufficiency of the petition, and she will report back to the Board at the next meeting. At that point, the Board will need to call a public hearing. At any point in time, the Board can decide it does not want to do it.

Council Member York stated that she did not see the benefit to the Town. It was the consensus of the Board to not take any action.



PLANNING  
BOARD/BOARD OF  
ADJUSTMENT  
APPOINTMENTS

Terms for two members of the Planning Board/Board of Adjustment expire June 30, 2016. One member, Trey Childers, resigned his position. The second member, Jerry “Dale” Shelton, submitted an application for consideration. In addition to Mr. Shelton, another application, from Cheyanne Lovelace, was submitted for consideration. Ms. Lovelace has served on the Boards in the past and has previous training.

Council Member York asked Ms. Lovelace about her previous conflict of interest that she notated on her application. Ms. Lovelace responded that she was helping HHDA preserve the old school building. Due to the fire, the building is gone and destroyed and trying to fight to save any part of the building is hopeless. She stated that fighting to save the building, along with other residents in the Town, was her conflict of interest at that time and she resigned her position as a Planning Board/Board of Adjustment member because of that. When the school burned, there is nothing else she can fight to save.

Council Member Banks made a motion to appoint Jerry “Dale” Shelton and Cheyanne Lovelace to the Planning Board/Board of Adjustment for three-year terms, beginning July 1, 2016 and ending June 30, 2019. All voted in favor.

TAX COLLECTOR  
APPOINTMENT

Mayor Cook reported that N.C. G. S. 105-349 (a) requires the governing body of each municipality to appoint a tax collector to serve for a term. Council Member B. Lowman made a motion to appoint Alice Sanders as the Town of Hildebran Tax Collector beginning July 1, 2016 and ending June 30, 2020. All voted in favor. Ms. Sanders will take the oath in the office tomorrow.

ZONING FEE SCHEDULE  
FOR FY 2016-2017

A proposed zoning fee schedule for FY 2016-2017 was presented for approval. There were no changes to the fees. Council Member York made a motion to approve the zoning fee schedule for FY 2016-2017. All voted in favor. A copy of this schedule is hereby referenced and made a part of these minutes (Attachment K).

FACILITIES REPORT

Ms. Isenhour provided a facilities report. There was a break-in at the Old School Building on June 13, 2016. The super dome has been installed at the park. Work is still being done to make the pathway to the dome ADA compliant. A summer movie series was presented to Council. Mayor Cook stated that the fireworks will be held on September 10<sup>th</sup>. There was a consensus from Council to approve the summer movies in the Auditorium to begin in July 2016.

Council Member York asked about discussions in January about microfilming and Mayor Cook suggested this topic be discussed at Other Business.

Ms. Sanders asked Council if a decision has been made about holding the September festival. Council wanted to wait until July to make the decision. Mayor Cook stated that the fireworks are scheduled to be held at the festival.

MAY TAX REPORT

Ms. Sanders reviewed the May tax report. The advertisement for uncollected taxes on real property was in today's paper. The annual settlement will be presented at the July meeting. Currently, the tax collection rate is 99.77%, which will decrease slightly once the advertising costs are applied. A copy of the report is hereby incorporated by reference and made a part of these minutes (Attachment L).

DEPUTY REPORT  
GARY TOWERY

Deputy Towery provided his report for the month of May.

COMMITTEE REPORTS  
& UPDATES

Transportation Advisory Committee (COG) – Mayor Cook reported that the committee voted to return \$775,000 for the awarded grant for the sidewalk project at N. Center St. She stated that the Town will reapply in the future.

WPCOG Policy Board – Council Member B. Lowman reported that the Committee discussed the beginnings of the widening of 321 and the adult programs. She is working on getting literature for the meals on wheels program. A public hearing for the widening of 321 will be held on July 11<sup>th</sup>.

Burke Economic Development Representative – Mayor Cook reported that one company in California is considering opening a business in the County that could bring 100 jobs.

Recreation and Tourism Committee – Council Member York stated that Bert Smith had reported that he is using port a johns due to sewer problems. Mr. Drum stated that he had talked to Kevin Greer with the City of Hickory and he is unable to find a sewer issue behind the old school building.

Water Resource Committee – No report at this time.

VEDIC – Mayor Cook reported that the committee voted on new officers and approved its FY 2016-2017 budget. In addition, the committee is reviewing its bylaws. The committee has provided over \$1 million in loans over the past two years.

OTHER BUSINESS

Council Member York asked about if the microfilm process has been updated due to past conversations. Mayor Cook stated that the budget process has taken a lot of Mr. Drum and Mr. Rankins' time. Ms. York stated that the Town is current up to 2008 for microfilming. Mayor Cook stated that the Town could transport the documents to Raleigh.

Mr. Drum stated that the process of adopting amendments and ordinances dealing with land use ordinances and technical ordinances is a process that seems simple but can be a long, drawn out process that takes time and that will take longer than two to three months. He stated that the process is more complicated with part-time staff and the Planner is going at the minimum standard of occupancy process full force. It is going to take some time to complete to get it right. Council Member L. Lowman stated that he had feedback from two Planning Board members about the meetings and that this ordinance was taking too long and he wants the ordinance completed.

Mayor Cook reported that the August regular meeting is scheduled to be held on August 22, 2016 and two staff members will be out of town and she will be out of town and requested to move the meeting. Council Member B. Lowman made a motion to reschedule the August regular meeting to August 29, 2016. All voted in favor.

ANNOUNCEMENTS

Council Member York read a statement in reference to an incident that occurred at the July 3, 2016 special meeting/budget workshop meeting. She requested that the document be a part of the minutes. A copy of the statement is hereby incorporated by reference and made a part of these minutes (Attachment M).

PUBLIC COMMENT

Brenda Barnes stated that she routinely walks the entire perimeter of Hildebran and asked for cross walks or pedestrian signs at Espey Hardware, B&B and at the school for safety reasons.

Tim Limbo stated that EBVAO has provided its application for recertification for the organization's 501(c)3 tax exempt status. He also explained the organization's fees and revenue for sports and asked for the Board to reconsider the rental fees for EBVAO.

Richard Bell expressed his concerns about the Town's spending, East Burke Christian Ministries rent and the Mayor and Board's actions.

Troy Smart asked about nonprofits being required to provide proof of their yearly 990 filings and what the discounted rate would be if the filings were not provided.

ADJOURNMENT

All business being concluded, Council Member Banks made a motion to adjourn at 8:47 p.m. All voted in favor.

I attest these are the approved minutes of the Board.

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Alice Sanders, Town Clerk

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Virginia Cook, Mayor