



Town of Marshville Town Council Meeting

Friday, June 17, 2016 5:00 PM
Marshville Town Hall

Special Meeting Minutes

Council Members Present: Mayor Deese; Council Members Margaret Bivens, Norma Carpenter, Ernestine Staton and Jim Rowell. Mayor Pro-Tem Morgan arrived at 5:20 pm.

Staff Present: Town Manager, Fern Shubert; Clerk/Finance Officer, Tonya Johnson; Police Chief, Matt Tarlton

Call to Order/Invocation/Pledge of Allegiance

The meeting was called to order at 5:06 pm by Mayor Frank Deese. Council Member Carpenter gave the invocation. The Pledge of Allegiance was given by everyone.

Public Comment

Toni Austin, of 907 Hasty Road, Marshville, addressed the council regarding talk of the proposed sewer increase. She expressed that each household should pay based upon consumption, rather than each household paying a fixed amount.

Mayor Deese clarified that the proposed fee increase is strictly sewer. Council Member Staton questioned that if the county doesn't provide accurate numbers, then how is the amount to charge each customer determined.

Town Manager Shubert discussed the sewer issue with Union County and reviewed the rate study that was completed based upon the impact of the Union County sewer increase. NC Rural Water performed the rate study and based it upon a fixed amount per household.

Mayor Deese stated that council has before them three versions of the FY2016-17 Budget and Fee Schedule. One version proposes an \$18.60 sewer rate increase, another version proposes a \$9.30 sewer rate increase and the final version proposes no rate increase. The mayor stated that there are too many variables to calculate an accurate per gallon increase. He stated that the town cannot give refunds. However, rates can be lowered in an effort to give back to customers. Mayor Deese commented that even without the Union County sewer issue the town may have still had to propose a rate increase due to several capital improvement projects to improve the town's infrastructure. The manager reported that a rate study has already been planned for next year.

Town Manager Shubert referenced the fee schedule and suggested that the code enforcement fees be amended to reflect that code enforcement related items will be billed at cost. She suggested that the entire section of the proposed FY2016-17 Fee Schedule for code enforcement be deleted. The charges for code enforcement will be billed based upon the cost incurred to provide the service. Mayor Deese clarified that the town will pay and then proceed to place a lien on the property. Discussion ensued. Council Member Rowell made a motion to remove code enforcement fees from the FY2016-17 Fee Schedule and fee schedules going forward and further moved that code enforcement fees will be billed at cost and a lien placed upon the property. The motion was seconded by Council Member Staton and passed by unanimous vote.

Council Member Rowell favored the proposed budget with no increase. He stated that each month's bills from the county should be deducted from the budgeted amount until a budget amendment is required, or until such time that the budget and fee schedule must be amended. He asked members of the council not to consider a rate increase at this time. Council Member Rowell pointed out that the budget is a projection and it can be amended throughout the year. Council Member Staton expressed that this needs to be discussed further. The town has loans to repay.

Council Member Rowell made a motion to adopt the FY2016-17 annual budget and fee schedule that proposes no rate increase. The motion was seconded by Mayor Pro-Tem Morgan. Discussion ensued. Mayor Deese commented that the attorneys have stated that the town should come up with an amount to pay Union County. Town Manager Shubert stated that she is hopeful that Union County will pay the town. Mayor Deese pointed out that this council did not impose a rate increase in FY2015-16 to cover the increase incurred from Union County. He agrees that \$18.60 per month is too much. However, he feels the town must do something. Mayor Deese agreed that budgets are projections. He pointed out that this council has a fiscal responsibility to produce a budget that is as accurate as possible.

Council Member Rowell stated that the fee schedule affects the budget. He doesn't feel the town should charge the customers at this time since the town is not paying anything. Mayor Deese stated that he agrees with that to a certain extent. However, the town may lose the lawsuit. He asked, "What then?" Mayor Deese stated that this council should adopt a budget in anticipation of the worst case scenario. Town Manager Shubert stated that she hates to charge the customers. However, what the town has already been charged in FY2015-16 has come from the town's reserve funds.

Council Member Rowell contended that we not put the burden on the customers until we have to. He stated that if this council feels good about the outcome of the lawsuit, then show the customers by not increasing rates at this time. Council Member Staton questioned what happens if we don't win the lawsuit. If this council doesn't do something the town may come up short. Discussion ensued. Council Member Rowell reiterated that the town doesn't need to charge the customers until the town has to pay!

Mayor Deese reminded the council that a motion and a second are on the floor to adopt the version of the FY2016-17 budget and fee schedule that proposes no sewer rate increase. Mayor Deese asked for council action regarding the motion. The motion failed with a 2 to 3 vote (Mayor Pro-Tem Morgan and Council Member Rowell for and Council Members Staton, Carpenter and Bivens opposed).

Discussion ensued regarding the meeting calendar and how to schedule meetings that fall right after a holiday. Mayor Deese asked the council if it wants to take action to change the meeting date after a holiday until the next following Monday, instead of the next following business day (Tuesday). A motion was made by Council Member Bivens to amend the meeting calendar now and going forward so that anytime a monthly meeting falls on a holiday the meeting automatically moves to the next following Monday. The motion was seconded by Council Member Staton and passed by unanimous vote.

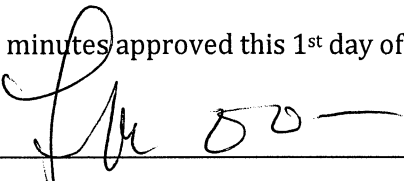
Council Member Carpenter made a motion to adopt the version of the FY2016-17 budget and fee schedule with the proposed \$9.30 increase in sewer and to adopt the meeting calendar as just amended and approved in the prior motion. The motion was seconded by Council Member Bivens. Council Member Rowell stated that the public should be made aware that they may have a rate increase of \$18.60 at some point. The manager stated that a rate study has already been scheduled for next year. The vote passed 4 to 1 (Council Member Rowell opposed). Mayor Deese asked the media to report that a new fee study has been ordered.

A motion to approve Budget Amendment #2016-15, to correct a budget appropriation incorrectly entered into the wrong line item, was made by Council Member Rowell. The motion was seconded by Mayor Pro-Tem Morgan. The finance officer explained the reason for the budget amendment. The motion passed by unanimous vote.

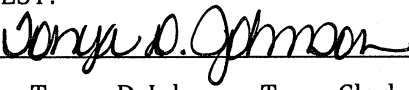
Adjourn

A motion to adjourn was made by Council Member Rowell. The motion was seconded by Council Member Bivens. There being no further comments the meeting adjourned at 6:20 pm.

These minutes approved this 1st day of August, 2016.

By: 
Franklin D. Deese, Mayor

ATTEST:


Tonya D. Johnson, Town Clerk