

**Town of Marshville
Town Council Meeting
Special Meeting
Thursday, June 17, 2010 at 7:00 P.M.
Marshville Town Hall – 201 W. Main St.**

Present: Mayor Deese, Mayor Pro-Tem Bivens, Council Members Denise Whitley, Dora Bridget, Ned Beachum, TA Radford Thomas, Interim Clerk Tonya Johnson, DPW Steele, PD Thifault, and Chief Gaddy. Also present were John Edmondson, *The Home News*, and Lacy Hampton, *The Enquirer Journal*. Council Member Matthew Jefferson was absent. Council Member Dora Bridget arrived at 7:15 p.m.

Mayor Deese called the meeting to order at 7:00 p.m. and welcomed everyone in attendance. The invocation was given by Council Member Beachum. All gave the Pledge of Allegiance.

Public Comments

Gail Kiker – 903 Hasty Road, Marshville – Doesn't agree with a tax increase. When you look at employee raises and health insurance, it looks like the taxpayers are taking a hit. You may need to look into part-time positions, or employees' paying a portion of their health insurance costs. What are you giving back to the taxpayers? Sixty-five percent of Marshville citizens don't have health insurance. What are the citizens getting for their tax dollars? I have nothing personal against the employees. These are bad economic times for everyone.

Susan Drake – 306 S. Elm St., Marshville – The county has a tax revaluation next year. The town will have more money coming due to the revaluation. I would ask you to try not to raise taxes this year. Look into other area of the budget to try not to impose a tax increase. Historically, when taxes go up they don't go back down. The mayor can wave his hand and request this Board to cut spending. There may be some poor management.

Don Coleman – 704 Circle Drive, Marshville – The road I live on is a shortcut for Hasty Road. There's a lot of speeding traffic. Approximately 30+- kids in neighborhood and its dangerous. I would like to see another speed bump installed (in front of my house). Request that council look into that, please. Also, I am VP of the Marshville Athletic Association. I am available to answer any questions about the association.

Budget Work Session

TA Thomas began by going over the health insurance proposal distributed at a previous meeting. He commented that many plan options were reviewed. His opinion is that the United Healthcare plan is the best plan with the most comparable level of coverage. The plan we have now is increasing 21%. The United Healthcare Plan is 1% less than the current plan (\$377.82/employee with the present plan vs. \$368.12/employee with United Healthcare's proposal). TA Thomas recommended that council agree to switch group health insurance to the United Healthcare plan and continue to provide insurance coverage to employees at a 100% level.

Mayor Pro-Tem Bivens commented that she would like to see the employees pay a portion of their insurance costs.

Mayor Deese asked if it was the consensus of the Council to change to United Healthcare for health insurance coverage.

Council Member Whitley stated that she agrees with Mayor Pro-Tem Bivens. She appreciated TA Thomas's hard work, but would like to consider having employees pay a portion of their insurance cost. She feels the citizens feel like they are not getting anything in return.

Council Member Beachum commented that to have employees pay a portion of their own insurance costs would reduce the proposed tax rate increase by \$.01.

Mayor Deese commented that most places do require that you pay a little something. However, taking \$15 out of certain employees' paychecks is a big deal to them. He favors the idea of having different options, or tiers of coverage. We need to remember that the employees are victims of tough economic times, too.

Council Member Whitley stated that most employees don't live in the city limits of Marshville. The cost of providing health insurance is the burden of the taxpayers. A lot of people are out of work and feel like they can't afford insurance for themselves but they have to pay it for Town employees.

Council Member Bridget commented that health insurance is one of the perks of the job. She can't see just throwing out a number.

Mayor Pro-Tem Bivens stated that she has received several calls/complaints on this issue.

Mayor Deese asked TA Thomas about any merit raises to which TA Thomas replied that there had been none given.

Council Member Whitley commented that last year was the first year the Town did not give any raises. She feels that if we're not going to give up insurance

then we need to do away with the COLA increase. This has to be a give and take thing.

Mayor Deese asked if Council agreed that if employees don't pay a portion of their insurance then this Board needs to eliminate the 2% COLA increase.

TA Thomas asked if we are trying to eliminate a \$.05 tax increase, or keep a tax rate of \$.38.

Mayor Deese suggested that it is just poor management to continuously go into savings.

TA Thomas commented that the proposed budget is below the current year's operating budget. He stated that this budget has held the line pretty well. He feels that over time we can close the gap in the amount of Fund Balance used. The funds (general & enterprise) need to be self-supporting. The tax increase was looked at, in part, to reduce fund balance appropriation.

Mayor Pro-Tem Bivens commented that water, sewer, and garbage are increasing. Taxes may be going up as well. This is a burden on taxpayers. She is against raising the tax rate. Why can't it wait? We can probably look at decreasing other things, or make some part-time positions, or put a freeze on hiring.

Mayor Deese stated that he tries to look a good management for the Town. The Town is helping me pay my water & sewer is how he sees it. That's because the enterprise fund is operating at a deficit. It costs more to provide the services than what the Town is charging customers. I don't like tax increases but sometimes it's necessary. The funds need to be self-supporting. Now, what about the health insurance? Do we want the employees to pay a portion or not?

Mayor Pro-Tem Bivens commented that she would like to keep the 2% COLA increase and look at having the employees pay 10% of the monthly cost of their health insurance premiums. This would be a cost of approx. \$36.80/month per employee.

Chief Gaddy questioned if this passes, will employees be required to take health insurance. He asked if they would be able to waive coverage if they didn't want to pay for it.

Mayor Deese suggested why not fund the insurance 100% and take away the COLA increase. It equates to about the same money. It takes the variables out of the equation. He's just looking for a solution.

A motion to change the health insurance provider from Blue Cross Blue Shield to United Healthcare for the FY10-11, and to direct TA Thomas to execute the

contract was made by Council Member Bridget. The motion was seconded by Council Member Whitley. Vote: All ayes.

Mayor Deese asked if it was the consensus of council to do away with the 2% COLA increase and fund the employee insurance 100%.

A motion to direct TA Thomas to remove the 2% COLA increase from this year's budget and fund 100% of employee insurance was made by Council Member Bridget. The motion was seconded by Council Member Beachum. Vote: 3 to 1(Mayor Pro-Tem Bivens opposed)

TA Thomas commented to council that in changing health insurance plans and removing the COLA increase, then effectively the tax rate is almost \$.02 down.

Mayor Pro-Tem Bivens expressed that she would like to look at the park, specifically, the mowing contract. She suggested that we cut out the mowing contract and look at other options like doing it in-house.

Mayor Deese asked if we have the necessary equipment. DPW Steele responded that if we mow the park in-house we would need another mower. Council Member Beachum agreed.

Mayor Pro-Tem Bivens asked if they were suggesting that it wouldn't save any money.

TA Thomas stated that it makes more sense to have part time person mowing, rather than using more skilled labor. Making some personnel changes in DPW Steele's dept. saved approximately \$19,000 in the budget. He also mentioned that the park's contracted services line item is just mowing. It includes pest control, etc. This line item has already been reduced by \$1,400.

Mayor Deese commented that he doesn't think we need to cut the park budget anymore. He doesn't think it will save the Town any money to change the mowing contract.

Council Member Whitley stated that the public works dept. mows state-maintained roads in Town. We need to have staff look into the mowing contract with NCDOT.

Council Member Beachum asked if we could hire a part-time person for \$12,500. They would also have to have mowing equipment (approx. \$15,000)? Mayor Deese commented that we could not hire a part-time person and purchase equipment for \$12,500.

Council Member Whitley stated that as the year goes on, we may need to look at some things again and make changes to save this town money, as opportunities to do so arise.

Mayor Pro-Tem Bivens commented that she thought we could look at contracted services for the park and see some savings.

Mayor Deese asked for council member's feelings on the \$.05 tax increase.

Council Member Whitley stated that citizens have called and don't want to see a tax increase. She would rather not have a tax increase, but would be okay with a \$.02 increase. She feels that \$.05 is too much.

Mayor Deese commented that we need to keep in mind that the property tax revenues are \$10,000 less than last year. TA Thomas stated that a combination of things factored in to reduce the levy.

Mayor Deese commented regarding rental properties. He stated that's the cost of doing business. Most citizens only have one property. A citizen, Susan Drake, commented that everyone in Marshville doesn't live in a \$70,000 house.

Council Member Whitley stated that a certain bulk of people are going to bear the burden of the tax increase. We need to be conservative. She knows people are not paying the full fee for water, sewer, and garbage, but we can't raise everything at one time. Mayor Deese interjected that sooner or later we're going to have to raise taxes.

TA Thomas expressed that he understands the concerns of the citizens. They have valid points. He feels very strongly that the budget has relied heavily on fund balance in past years. At some point we're going to have to start putting it back. He thinks we should do a little now, and then over the next several years. He doesn't necessarily believe in "we've always done it this way".

Mayor Deese commented that we have plugged into the budget revenues to be received from the state. The state is trying not to reduce the amounts municipalities receive. He has seen in the past where states have withheld these funds. TA Thomas clarified that the money Mayor Deese refers to are local revenues that the state withheld on our behalf. It's all local revenue that the state collects for us. We're in a piece of the pie with other municipalities in Union County.

Council Member Whitley made a motion to raise taxes \$.02 to a rate of \$.40. There being no second, the motion died.

Council Member Beachum made a motion to raise taxes \$.03 to a rate of \$.41. There being no second, the motion died.

Council Member Whitley made a motion not to impose a tax increase and leave the tax rate at \$.38. The motion was seconded by Mayor Pro-Tem Bivens. Vote 2 to 3 (Council Members Beachum and Bridget, and Mayor Deese opposed).

Council Member Bridget commented that she favored the \$.05 tax increase because she doesn't want to have to do this every year. Therefore, Council Member Bridget made a motion to raise taxes \$.05 to a tax rate of \$.43. There being no second, the motion died.

Council Member Whitley made a motion to raise taxes \$.025 to a tax rate of \$.405. There being no second, the motion died.

Mayor Deese asked if council could vote to do something regarding the tax rate at the Budget Hearing. TA Thomas replied that a decision could be made that night.

Mayor Deese stated that the budget will come back to us on Monday night with a \$.05 tax increase. Think about it and be ready to decide what we are going to do. He feels that some council members are scared to make the tough decisions, but it's part of the job.

TA Thomas commented that with changes in the budget and the \$.05 tax increase fund balance is reduced by approximately \$120,000. This budget is 10% less than last year's budget.

Mayor Deese commented that Monday's meeting can entertain a motion to reduce the tax rate.

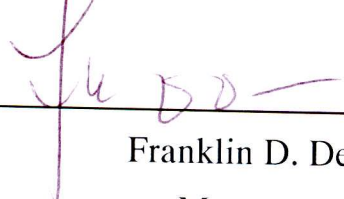
Council Member Dora Bridget made a motion to call a special meeting on Tuesday, June 22, 2010 at 7:00 p.m. at Town Hall for the purpose of adopting the budget ordinance. The motion was seconded by Council Member Beachum.
Vote: All ayes.

Adjourn

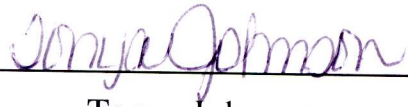
Council Member Whitley made a motion to adjourn, seconded by Mayor Pro-Tem Bivens.

There being no further comments, the meeting adjourned at 9:07 p.m.

These minutes approved this 21st day of June, 2010.



Franklin D. Deese
Mayor

Attest: 

Tonya Johnson
Interim Clerk

**A brief recess may be called every 45-60 minutes, as desired by Council.*