

MINUTES
REGULAR MEETING OF THE NEWTON CITY COUNCIL

April 21, 2015 – 7 p.m.

The regular meeting of the Newton City Council was held at 7 p.m. Tuesday, April 21, 2015, at Newton City Hall.

PRESENT: Mayor Anne P. Stedman, Mayor Pro Tem Mary Bess Lawing, Tom Rowe, Wayne Dellinger, Wes Weaver, John Stiver and Robert C. Abernethy, Jr.

STAFF: City Manager Todd Clark, City Clerk Amy S. Falowski, Assistant City Manager Sean Hovis, City Attorney John Cilley, City Department Heads and members of the management team

ITEM 1: **CALL TO ORDER**

Mayor Anne P. Stedman welcomed everyone and called the meeting to order.

ITEM 2: **OPENING Invocation and Pledge of Allegiance**

Council Member Tom Rowe led the Invocation and Pledge of Allegiance.

ITEM 3: **APPROVAL OF MINUTES**

Upon motion duly made by Mayor Pro Tem Mary Bess Lawing, seconded by Council Member Tom Rowe, it was unanimously RESOLVED:

That the Regular Minutes of the April 7, 2015, City Council meeting be –
APPROVED

ITEM 4: **CONSIDERATION OF CONSENT AGENDA ITEMS**

Upon motion duly made by Council Member John Stiver, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That the Consent Agenda be – APPROVED

- A. Tax Releases
- B. Sewer Adjustments
- C. Consideration of Resolution Authorizing the City of Newton to Join Western Piedmont Jobs Training Consortium
- D. Consideration of Appointment to Boards and Commissions – Appearance Commission and Re-Appointments to Planning Board
- E. Proclamation – Arbor Day – April 24, 2015

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 5: **COMMENTS FROM THE PUBLIC: PEOPLE WHO WISH TO COMMENT ON NON-AGENDA ITEMS ARE ASKED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING.**

Mayor Anne P. Stedman asked if anyone present would like to make comment concerning non-agenda items.

Collette Touchette, Chair of the Appearance Commission, explained to City Council about the Appearance Commissions new program called “Curb Appeal Newton Style”.

ITEM 6: **Teen Leadership**

Mayor Stedman introduced the students that made up this year’s Teen Leadership Newton Program. She explained that the students were from Newton-Conover High School and Discovery High School.

City Manager Todd Clark stated that the goal or objective of the program is to encourage high school students to take on leadership roles and explore their capabilities.

Mr. Clark explained that the students were divided into three groups according to topics, and now the groups would make a presentation to City Council.

Mayor Stedman thanked the Teen Leadership Newton group and stated that City Council and Staff appreciated their time and effort.

ITEM 7: **New Business**

A. Consideration of Main Street Solutions Grant

Main Street Program Coordinator Rob Powell stated that a state fund, known as the Main Street Solutions Fund, was established in the Department of Commerce through N.C. Gen. Stat. § 143B-472.35. This Fund is administered by the N.C. Main Street Center/Office of Urban Development, and is being used to provide economic development grants to Main Street communities and other eligible micropolitans located in Tier 2 and Tier 3 counties. Mr. Powell stated the City of Newton applied for and received a Main Street Solutions Fund grant on behalf of Second Nature Technology/Carolina Vines during the 2011 round of the Main Street Solutions Fund program.

Mr. Powell stated a local business owner has requested the City of Newton’s assistance with an application for a Main Street Solutions grant. He stated the grant would be used for the renovation of a downtown building which would serve as a new location for the business. Mr. Powell stated that city staff has reviewed the project with the North Carolina Main Street grant administrator and believes the project will likely meet the criteria required for a Main Street Solutions Fund grant. He explained that an application must be submitted as soon as possible to have a chance at being funded before existing monies are depleted.

Mr. Powell stated the minimum grant amount is \$25,000 and the maximum per community is \$200,000 for each round of Solutions Fund grant money. He explained the minimum required match in non-state or

non-federal money is \$2.00 for each \$1.00 in grant funds. The grant amount is also limited to \$25,000 for each full-time, permanent job created.

Mr. Powell stated The Main Street Solutions Fund currently has only \$150,000 available to grant for qualified projects on a first-come first-serve basis. Funds are expected to be depleted before the end of June 2015, and the Main Street Solutions Fund is not expected to be re-funded until the 2016-2017 budget year.

Mr. Powell stated the City of Newton will be the official applicant and act as the grant administrator if an award is made. The local business owner will be responsible for meeting all of the grant conditions including meeting the match requirements. The City Council is also advised that grant disbursements are made as a reimbursement of eligible expenditures. Mr. Powell explained payment of the grant is contingent upon the business owner meeting investment and job creation expectations. Therefore, the City will administer the grant under the same terms and conditions that were used for the Carolina Vines project to ensure the City is not held liable in the event of default by the owner.

Mr. Powell stated that staff recommends that City Council approve Resolution #5-2105 for the support of a 2015 Main Street Solutions Grant Application which would authorize the City Manager to execute the grant application and agreement on behalf of the City.

City Manager Todd Clark stated that the city will be the actual applicant. Mr. Powell said yes. Mr. Powell said that the funds are first come, first serve and Mayor Stedman encouraged him to get the application in if approved. Council Member Robert C. Abernethy, Jr. stated that the only cost to the city is time. Mr. Powell stated that it was.

Upon motion duly made by Council Member Robert C. Abernethy, Jr., seconded by Council Member John Stiver, it was unanimously RESOLVED:

That Main Street Solutions Grant Application by the City of Newton be – APPROVED.

(Ordinances, Resolutions and Proclamations are hereby referenced and on file in the Office of the City Clerk)

ITEM 8: **Old Business**

A. Pay and Classification Study

Human Resources Director Teresa Laffon gave a brief overview of the Pay and Classification Study completed by David Hill with Piedmont Triad Regional Council that recommended the City transition from its current pay grade system to a market-based system of pay. She presented Council with additional information requested by Council Member Robert C. Abernethy, Jr., i.e., the employee-to-citizen ratio for the City and comparable cities.

Ms. Laffon said the plan developed with Mr. Hill provides compensation adjustments for positions that are currently below the market rate, addresses compression problems within the pay system and provides progression toward market value for employees based on years of service in their current positions.

Ms. Laffon said \$252,000 from the General Fund will provide compensation adjustments for City employees whose salaries are currently less than the market rate. Of that amount, 61 percent will be allocated to Public Safety employees.

Ms. Laffon recommended employees whose current salaries are above the market minimum and who have been in their current positions five to 10 years receive a 3 percent increase in pay, employees who have been in their current positions 10 to 15 years receive a 4 percent increase in pay, employees who have been in their current positions 15 to 20 years receive a 5 percent increase in pay, and employees who have been in their current positions 20 or more years receive a 6 percent increase in pay. Salaries of employees currently at or above the market minimum will be frozen. Employees who have been in their current positions less than five years and are paid at or above the market minimum but below the market midpoint will receive a 1 percent, one-time payment.

Mayor Anne P. Stedman asked how the market-based pay system will be implemented.

Ms. Laffon said the system will be implemented annually and recommended the city allocate \$87,000 for additional merit-based salary increases.

Council Member Wayne Dellinger asked for clarification of the pay increase amounts.

Ms. Laffon directed Mr. Dellinger to the column on a spreadsheet provided to Council that indicated the amounts needed to increase City employees' salaries to the market minimum.

Mayor Stedman said the study used a trimmed average and asked Laffon to explain trimmed averages.

Ms. Laffon said a trimmed average takes all the data and removes the largest salary and the smallest salary before the average is computed.

Council Member Dellinger said the City is facing a twofold dilemma: the responsibility of the Council to keep tax rates low for citizens and the need to keep good employees.

Council Member Wayne Dellinger made a motion to move into Executive Session for further discussion.

Mayor Stedman said there would be no discussion of individuals' salaries and that approval of the recommendation based on the study would be a broad City policy.

Council Member Dellinger said the City paid a firm to do the studies. He said some salaries are low and some are high and there are some people the city has to take care of.

Mayor Stedman said she would not elect to move into Executive Session.

Council Member Tom Rowe said a high percentage of City employees—78 percent—are not paid enough.

Council Member John Stiver said there should be no cherry picking by Council members in deciding whether or not to approve the recommendation based on the study. He said there's no way to meet all of the needs addressed by the study, but that the City must hire skilled employees. He noted that in five years, nearly all of the City's department heads will retire. He said the City has to pay competitive salaries.

Councilman Abernethy said the Council would vote on a budget in June and the City would have to operate within that budget and doesn't have the option of increasing taxes by 6 percent. He said the Council increased taxes last year, and if they're increased again this year, the rate will be 12 percent over two years in an economically depressed area.

City Manager Todd Clark said he agreed that tax increases should be avoided, but that when something is broken, the City must fix it. He said if a police car, water meter, or garbage truck is broken, the City fixes it. He said the City has a broken pay plan and that cannot be ignored.

Council Member Rowe said it is unwise to train people to do a job and then have them accept another position elsewhere for more money.

Council Member Abernethy asked how the recommendation helped solve the problem. He said employees who have worked for the City five years or fewer will get no increase in pay.

Council Member Stiver said many Department of Public Works staff are required to be certified through courses that require 1,500 hours of study.

Council Member Abernethy said he thought the names of City employees included on the spreadsheets given to Council should have been removed.

Mayor Pro Tem Mary Bess Lawing said the City needs to pay the right wage to employees for the job they do. She said the City should never get so far behind on its pay plan.

Mayor Stedman said the Council had a recommendation before them from staff. She said the study was conducted fairly and that the City needs a policy to move forward.

Council Member Abernethy said the next time a Pay and Classification study is done that the Council should have input on the cities used for comparison to Newton instead of having the cities chosen by staff and a consultant.

City Manager Clark said staff could do that but noted the cities used for comparison in the study are the same cities typically used in other financial comparisons by the City.

Councilman Wayne Dellinger asked where the amount of money for benefits came from.

Ms. Laffon said the City is required to make payments on behalf of employees to FICA, Medicare, Social Security and retirement.

Council Member Abernethy said he would vote to approve the recommendation but he couldn't pay for it through taxes and would not vote for a tax increase in the next budget, but that right off the bat he could come up with savings by cutting special appropriations. Mayor Stedman stated that would be discussed during budget workshops.

Council Member Abernethy said the City could save \$50,000 each year by eliminating charitable contributions. He said he would like to approve the recommendation but needs to know where the money to support it would come from.

Council Member Dellinger asked whether the recommendation would cost \$420,000 each year. Ms. Laffon said it would.

City Manager Clark said resolving a 10-year problem in a single action would take too large of a chunk of money. He said the proposed plan would be a step in the right direction but that the entire problem would take more time to resolve.

Mayor Stedman stated that there is a motion on the floor to move in to Closed Session and asked if there was a second. Motion failed for lack of a second.

Mayor Pro Tem Mary Bess Lawing moved to approve the recommended pay plan as presented. Council Member Tom Rowe seconded the motion.

Council Member Abernethy asked Councilwoman Lawing whether she would add to the motion that the city find another way to pay for the pay plan.

Mayor Pro Tem Lawing said she would not change the motion.

Mayor Stedman asked for a vote.

Council Member Dellinger asked what was going on. He said employees need more money but we have to know how to raise the money. He said it makes Council Members voting against the motion look bad if they vote against it, but that he was unable to vote for the motion knowing it would cause tax increases.

Council Member Rowe said nobody wants to raise taxes, but that when you provide services, taxes come into play.

Council voted with Council Members John Stiver, Tom Rowe and Mayor Pro Tem Mary Bess Lawing in favor; Council Members Wes Weaver, Wayne Dellinger and Robert C. Abernethy, Jr. opposed. Mayor Stedman voted in favor.

ITEM 9: City Manager's Report

- April 23rd – Visit to Lincolnton DDA, Meet at City Hall at 10:30 a.m.
- April 23rd – WPCOG Annual Meeting, Crowne Plaza at 6:30 p.m.
- April 24th The city will be celebrating Arbor Day by planting a tree at 10:00 a.m. at our new Fire Headquarters. City Council and members of the public are invited.
- April 26th – Community Band, Newton-Conover Auditorium 3:00 p.m.
- April 30th – WPCOG Mayors/Chairmen/Managers Meeting, Rock Barn at 6:00 p.m.
- May 3rd Unity Day Reception, Newton-Conover Auditorium, 2:00 p.m.-4:00 p.m.
- May 17th Unity Day, Newton-Conover Auditorium, 2:00 p.m. – 4:00 p.m.
- May 6th, 12th and 14th – Budget Workshops, Council Chamber at 5:15 p.m.

*****dates for additional workshops if needed are May 19th, 20th and 21st**

- May 7th ElectriCities Regional Meeting at Newton Expo 6:00-8:00 p.m.
- ElectriCities Annual Conference (50th Anniversary) at the Myrtle Beach Marriott Resort & Spa at Grande Dunes, August 6-8. Please let Amy know if you are interested.

Projects

1. Sports Signs – PWU is ordering 8 sign blanks for installation. Approval has been granted by NCCS.
2. The Powell Bill documents have been sent out to contractors. Bid opening is scheduled for 4/28/2015.
3. The water line between I and J has been testing and approved by Wooten. We are waiting on approval from the state prior to placing it in service. Approval is expected early this week.
4. Hwy 10 - One train is running currently. The other train is having a motor repaired.
5. AMI – The revised propagation study has been completed, and this first round of meters has been ordered. We are installing both water and electric meters at various locations around the city in order to ensure complete collection by the collection towers.
6. Street condition assessment – I am in contact with McGill and waiting on a proposal.
7. Dam – Geotechnical investigation reports are filtering into Wooten. I met with Wooten on Monday to discuss the findings at the spillway. Still no word from the State.
8. The compost and mulch give away – Almost all material has been removed from the site. We are still loading some of the remaining compost on Friday's by appointment only. Please call public works to schedule an appointment.
9. Mowing HWY 16 – PWU can complete 3.75 mowings per year with the amount offered by NCDOT. The mowings will not include only mowing and spraying.

ITEM 10: Questions and Comments from Mayor and Council

Mayor Anne P. Stedman asked if any City Council would like to make any comments. There were none.

ITEM 11: Closed Session to Consult with the City Attorney – G.S. 143-318-11(a)(5)

Upon motion duly made by Council Member Wes Weaver, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That the City Council enter CLOSED SESSION per G.S. 143-318-11(a)(5)

Mayor Pro Tem Mary Bess Lawing made the motion to go back into open session, which was seconded by Council Member Wes Weaver. All Ayes.

ITEM 10: Adjournment

Upon motion duly made by Mayor Pro Tem Mary Bess Lawing, seconded by Council Member Robert C. Abernethy, Jr., it was unanimously RESOLVED:

That the Meeting be – ADJOURNED

Amy S. Falowski, City Clerk



Anne P. Stedman, Mayor