MINUTES
BREVARD CITY COUNCIL
Regular Meeting
June 17, 2013 – 7:00 PM

The Brevard City Council met in regular session on Monday, June 17, 2013 in the Council Chambers of City Hall with Mayor Jimmy Harris presiding.

Present - Mayor Jimmy Harris, Mayor Pro Tem Mac Morrow, Council Members Wes Dickson, Maurice Jones and Charlie Landreth.

Absent - Council Member Rodney Locks is out of town due to a death in his family.

Staff Present - City Manager Joe Moore, City Attorney Mike Pratt, City Clerk Desiree Perry, Planning Director Josh Freeman, Finance Director Jim Fatland, Fire Chief Craig Budzinski, Public Service Director David Lutz, HR Director Christine Caldwell, Bldg & Grounds Director Lynn Goldsmith, Planner Aaron Bland, Police Chief Phil Harris, Assistant Planning Dir. Brad Burton, Director of Utilities Jay Johnston, PE, and Executive Assistant Jeanette Owen.

Press - Eric Crews, Transylvania Times

A. Welcome and Call to Order - Mayor Harris called the meeting to order, welcomed all present and introduced Council Members, City Attorney, City Manager and the Clerk.

B. Invocation - Reverend Gary Stephens, First Church of the Nazarene, offered an invocation.

C. Pledge of Allegiance - Mayor Harris led in the Pledge of Allegiance to the Flag.

D. Certification of Quorum - The City Clerk noted the absence of Mr. Locks and certified a quorum with five members present.

E. Approval of Agenda - Mr. Landreth moved, seconded by Mr. Morrow, the Agenda be approved as presented. Motion carried unanimously.

F. Approval of Minutes - Mr. Landreth moved, seconded by Mr. Dickson, the Minutes be approved, noting the need to correct May 20th date at the top of page one. Motion carried unanimously.

G. Certificates / Awards / Recognition

G-1 Proclamation Recognizing Arts and Culture Week - Mayor Harris presented a proclamation to TC Arts Executive Director Tammy Hopkins recognizing June 21-July 4, 2012 as "Arts and Culture Week" in the City of Brevard. Ms. Hopkins distributed to Council the 2013 Arts and Culture week schedule.

G-2 Terrell Scruggs Scholarship Award Winner - Chief Harris welcomed and introduced Rosman High School senior, Mr. Hunter Reese, a recipient of a $1,500 scholarship from the Terrell Scruggs Scholarship Fund. Mr. Reese was accompanied by his parents.

G-3 Recognition of Daniel Cobb, School of Government Municipal Administration Course Graduate - Due to illness, Mr. Cobb was not able to attend tonight's meeting. Recognition will be rescheduled to a future Council meeting.

Previous Motions on Agenda and Minutes - Earlier motions were offered to approve the Agenda and Minutes. In repeating the motions offered, Mayor Harris mistakenly reversed by saying "agenda" instead of "minutes". For clarity he asked that motions affirming Council's desired action be offered again.

Approval of Agenda - Mr. Morrow moved, seconded by Mr. Landreth, the Agenda be approved as presented.

Approval of Minutes - Mr. Landreth moved, seconded by Mr. Jones, the April 29th and May 20th meeting minutes be approved, noting the date shown on the May 20th minutes needs to be corrected. Motion carried unanimously.

H. Special Presentations

H-1 <u>Hazard Mitigation Planning Grant</u> - Mr. Burton shared Transylvania County will be part of a 4-County Hazard Mitigation Plan, with Henderson County taking the lead, and that Brevard has been asked to be a part of this regional process. Participation will offer opportunities of grant money with in-kind match shared by the four Counties.

I. Public Participation

Ms. Volney Tinsley, 871 Glen Cannon, Pisgah Forest, explained he owns commercial property in the City and has concerns with respect to the costs, process and timing one has in order to comply with the water impact fees, and, expressed concern with the voting laws that prevents a City property owner who resides in the County to vote on all City issues. He read aloud his concerns and then presented a written copy to the Mayor and Clerk to be distributed to Council members. He concluded by extending his appreciation to the City Clerk for the assistance she provided one of his tenants when obtaining a Privilege License.

Former City Council Member Mal Johnson, 22 Lakeview Avenue, expressed concerned with the City's proposal to charge water customers for the new water meters. He believes these operational replacement costs should be paid by the City rather than by the water customers.

Former City Council Member Dee Dee Perkins, 221 Park Avenue, spoke in support of the Heart of Brevard and encourage Council to consider funding the HOB request when adopting the City budget. Shared the HOB members have been working very hard and have spent hundreds of hours to complete their strategic plan, and funding from the City is important as it will enable them to put into action and make the Plan work. Concluded by sharing the HOB members are re-energized, re-committed and look forward to being an economic partner with the City.

Ann Hollingsworth, 187 East Main Street, spoke in support of the City's financial support of the Heart of Brevard. Requested as a merchant, property owner, HOB Board of Directors member, and member of the HOB Economic Restructuring Committee, she asked that Council not change the name of the City's municipal service district, but to allow it to remain, "Heart of Brevard".

Tim Hall, 60 East Main Street, stated to change the name of the City's municipal service district would not be in the best interest of the downtown merchants who have worked hard down through the years which has resulted in increased revenue. Requested Council not change the name but to allow it to remain, "Heart of Brevard".

J. Public Hearing(s)

J-1 <u>Proposed Unified Development Ordinance Text Amendment: Chapter 3. Non-Agricultural Roadside Vendors</u> - Applicant is Ms. Arlene Silvia.

At 7:47 p.m. the properly advertised and notice public hearing to receive comments on the proposed text amendment began. Mr. Freeman explained City Code allows a non-agricultural roadside vendor to obtain a permit to operate for not more than 90-days, and, agricultural roadside vendors are allowed to operate for up to 180 days. Applicant, Ms. Arlene Silvia, seeks a text amendment to allow non-agricultural roadside vendors the same duration to operate (up to 180 days) allowed for agricultural vendors in order to expand opportunities for all roadside vendors to operate during the full tourism season, beginning in the spring and ending in the fall. Planning Board unanimously recommends denial of the proposed text amendment. The Board recognized certain temporary vendors would benefit from the ability to sell their goods throughout the full tourism season; however, their recommendation is intended to limit the impacts from a proliferation of temporary vendors along the City's roadways. (A copy of the Planning Department staff report is on file.)

Staff has not prepared a draft Ordinance for adoption consideration and offered the following options for Council:

1. Take no action, thereby denying the proposed amendment.
2. Adopt the proposed amendment as proposed. If this is Council's intention then Staff will present an ordinance for consideration at Council's July meeting.
3. Remand the proposed amendment to the Planning Board with guidance as to further research and deliberation.

The applicant was present at the meeting earlier; however, is no longer present.

<u>Public Hearing - Public Participation Comments</u> - None

<u>Public Hearing Closed</u> – With no further questions or comments from Council or the public, Mayor Harris closed the hearing at 7:57 p.m.

J-2 <u>Fiscal Year 2014 Budget Ordinance and Fee Schedule</u>

At 7:57 p.m. the properly advertised and notice public hearing to receive comments on the proposed City Budget for Fiscal Year 2013-2014 began. Mr. Moore explained the budget provided to Council reflects discussions from the budget work sessions and rather than a four cent ($.04) tax increase, the budget includes a two cent ($.02) tax increase. Also, consensus was not met as to the amount to be provided to the Heart of Brevard; therefore, the budget includes a grant of $15,000.

<u>Public Hearing - Public Participation Comments</u>

Mr. Richard Coadwell, Heart of Brevard Vice President, spoke and asked that Council entrust to them a small portion of the City's budget by granting their full request of $40,000 that would enable them to achieve their Strategic Plan, which includes developing a downtown data base and statistical data to know what is in our downtown and will in turn aid in helping to fill spaces in the downtown. HOB needs appropriate funds to obtain a dynamic Director. They have placed ads for their next Director and explained they are looking for someone who is experienced and has operated a Main Street Program for 3 to 5 years. Full funding is needed and they look forward to continue as economic partners with the City.

Ms. Leigh Trapp, resident and downtown business owner, encouraged Council's full financial support of the Heart of Brevard. Stated the HOB is focused, ready to move forward, has proven themselves by marketing and revitalizing businesses, and that the HOB has always struggled because they have not had enough money and therefore asked for Council's full financial support.

<u>Public Hearing Closed</u> – With no further questions or comments from Council or the public, Mayor Harris closed the hearing at 8:10 p.m.

K. Consent Agenda - Consent Agenda items are considered routine and are enacted by one motion. Mayor Harris read aloud the five (5) items listed and asked if Council desired to remove an item for discussion, or, to add an item(s) to the Consent Agenda.

Mayor Harris asked that item K-4 be removed for discussion.

Mr. Morrow moved to approve the Consent Agenda with the exception of item K-4 to be removed for discussion. Motion was seconded by Mr. Landreth and passed unanimously.

K-1 **<u>Staff Reports</u>:** (a) Financial Report; (b) Public Services Department. (On file.)

K-2 **<u>Resolution No. 2013-16 Authorizing Grant/Loan Financing for Kings Creek Sewer Phase II</u>.**

RESOLUTION NO. 2013-16

RESOLUTION AUTHORIZING GRANT/LOAN FINANCING FOR SEWER PROJECTS

WHEREAS, the Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of grants and loans to aid eligible units of government in financing the cost of construction wastewater collection system; and

WHEREAS, the City of Brevard has need for and intends to construct Kings Creek Phase II; and

WHEREAS, the City of Brevard intends to request grant and loan assistance for this project.

NOW THEREFORE BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF BREVARD:

1. That the City of Brevard, the applicant, will arrange financing for all remaining costs of the project, if approved for a State Grant or Loan Award.

2. That the City of Brevard will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

3. That the City Council of the City of Brevard agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Brevard to make scheduled repayment of the loan, to withhold from the City of Brevard any State Funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

4. That the City of Brevard will provide for efficient operation and maintenance of the project on completion of construction thereof.

5. That Joseph M. Moore II, P.E., City Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the City of Brevard with the State of North Carolina for a loan or grant to aid in the construction of the projects described above.

6. That the City Manager and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make assurances as contained above; and to execute such other documents as may be required in connection with the application.

7. That the City of Brevard has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loan pertaining thereto.

Adopted and approved this the 17th day of June, 2013.

K-3 **<u>Resolution No. 2013-XX Purchase Refuse Roll-Out Containers Using the "Piggyback" Method</u>**

RESOLUTION NO. 2013-17

A RESOLUTION AUTHORIZING AND AWARDING CONTRACT FOR THE PURCHASE OF REFUSE ROLL OUT CONTAINERS (CARTS) USING THE "PIGGYBACK" METHOD

WHEREAS, the City of Brevard has investigated previous purchases by other governmental entities and has found that purchases of equipment identical to that being requested have been made by other governmental entities; and

WHEREAS, proper advertisement of the City's consideration of these purchases has been made; and

WHEREAS, after due consideration, the Brevard City Council now desires to authorize and award contract for the purchase of refuse containers (roll-out carts) in an amount not to exceed $117,500, using the "Piggyback" method of purchase, in compliance with General Statutes 143-129(g).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BREVARD THAT:

Section 1. The requirements of the General Statues relating to "piggyback" purchases have been complied with authorizing the purchase via the "piggyback" method, as outlined in General Statutes 143-129(g).

Section 2. The City of Florence, South Carolina, the public agency originally contracting for refuse containers , closely matches our specifications and appropriately bid refuse carts, receiving a bid of $48.64 per refuse cart. Upon this determination, it was decided that the City of Brevard should seek to make this purchase using the "Piggyback" method, as outlined in the General Statutes.

Section 3. A contract is hereby awarded to Schaefer Systems International, Charlotte, North Carolina to purchase refuse containers at a unit of cost of $48.64 in a total contract amount not to exceed $117,500.

Section 4. The City Manager is hereby authorized and directed to execute all documents necessary for the purchase of this equipment.

Section 5. This Resolution shall become effective upon its adoption and approval.

Adopted and approved the 17th day of June, 2013.

K-5 <u>Follow-up on Council's Transit Directive</u>. In response to Council's October 1, 2012, directive to staff to study the needs of public transportation in the City and corresponding levels of service to meet that need, staff discovered an opportunity to partner with Transylvania County and the Brevard Music Center. One county van will shuttle students and summer staff from Brevard Music Center to various points in Brevard every Saturday from June 22 - August 3, 2013 between 9 a.m. and 3 p.m. Transylvania County will provide the vehicle and driver. Total cost of $2,000 includes salaries, fuel and maintenance. The Brevard Music Center and City will share in the service cost at $1,000 each. (Manager's report is on file.)

Consent Agenda Item K-4 Discussion

K-4 <u>Resolution No. 2013-18 Exempting the City of Brevard from the Mini-Brooks Act</u>.

Mayor Harris asked Mr. Johnston if the Resolution is for the project brought before Council back in March that the City received a zero percent loan for, and, if the City has received the funds yet.

Mr. Johnston replied, yes, the Resolution is for engineering services for the one million gallon storage tank on Burrell Mountain that needs to be replaced. Funds will be received by disbursements based upon the progress of the project.

Mr. Morrow moved, seconded by Mr. Dickson, Item K-4 **Resolution No. 2013-18** Exempting the City of Brevard form the Mini-Brooks Act be approved as presented. Motion carried unanimously.

RESOLUTION NO. 2013-18

A RESOLUTION EXEMPTING THE CITY OF BREVARD ENGINEERING, CONSTRUCTION MANAGEMENT AND PROGRAM MANAGEMENT SERVICES TO REPLACE 1.0M GALLON CONCRETE STORAGE TANK FROM THE REQUIREMENTS OF SECTION 143-64.31 OF THE NORTH CAROLINA GENERAL STATUTES

WHEREAS, N.C. General Statute 143-64.31 requires the initial selection of firms to perform architectural, engineering, and surveying services on the basis of qualifications and without regard to fee; and

WHEREAS, the City of Brevard proposes to enter into a contract to perform engineering, construction management and program management services to replace 1.0m gallon concrete storage tank (the Project); and

WHEREAS, the City of Brevard will identify a qualified, reputable, and capable engineering firm interested in providing engineering services for the Project; and,

WHEREAS, the City Council of the City of Brevard finds that it is in the best interest of the City of Brevard and its citizens to procure these services through a process that also includes consideration of fees.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brevard, North Carolina that:

Section 1. The City of Brevard is hereby exempt from the provisions of N.C. General Statute 143-64.31 "Mini-Brooks Act" to *allow overall project cost estimates to be provided as part of the Request for Proposal process, or for the reasons stated in this Resolution.*

Section 2. This Resolution shall become effective upon adoption and approval.

Adopted and approved this the 17th day of June, 2013.

L. Old Business - None

M. New Business

M-1 UDO Text Amendment: Chapter 3 Non-Agricultural Roadside Vendors

Mayor Harris called for a motion. No motion was offered. Requested UDO text amendment failed due to lack of motion.

M-2 Ordinance No. 2013-06 Amending the FY 2012-2013 Budget, Amendment No. Two

Mr. Landreth moved, seconded by Mr. Morrow, Ordinance No. 2013-06 Amending the FY 2013 budget be approved as presented. Motion carried unanimously.

ORDINANCE NO. 2013-06

AN ORDINANCE AMENDING THE FY 2012-2013 BUDGET AMENDMENT NO. TWO

WHEREAS, the City Council of the City of Brevard has previously approved the annual budget (Ordinance No. 2012-17); and

WHEREAS, the City Council of the City of Brevard approved Budget Amendment No. One on April 15, 2013; and

WHEREAS, it is necessary to make an amendment to the budget to reflect an increase in revenue, appropriation from medical insurance fund balance and an increase in expenditures; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BREVARD, NORTH CAROLINA THAT:

Section 1. General Fund Expenditures
General Fund Expenditures increased as follows:

Police	$ 15,202
Garage	42,000
Total Expenditures	**$ 57,202**

Section 2. General Fund Revenue
The following revenue sources have increased as follows:

Grants-Police Department	$ 15,202
County Vehicle Maintenance	42,000
Total Revenue	**$ 57,202**

Section 23. Health Insurance Fund
The following revenue source has increased as follows:

Appropriation of Health Insurance Fund Balance	$ 100,000
Total Revenue	**$ 100,000**

Section 24. Health Insurance Fund
The following amounts are hereby increased:

Claim Costs	$ 100,000
Total Expenditures	**$ 100,000**

Section 31. That the Revenue and Expenditures set forth in Sections 1 through 30 as amended are hereby summarized as follows:

General Fund	$ 8,902,252
Water and Sewer Utility Fund	4,767,000
Utility Capital Projects Fund	2,164,701
Capital Reserve Fund	547,000
Heart of Brevard MSD Fund	120,975
Bjerg Fund	100
Fire District Fund	884,169
Multi-Use Paths Fund	375,000
Narcotics Task Force Fund	59,100
Downtown Master Plan Fund	100,000
Wayfinding Fund	350,000
Other Post-Employment Benefits Fund	18,750
Bracken Mountain Project Fund	200,000
Health Insurance Fund	950,850
Housing Trust Fund	13,352
Terrell Scruggs Scholarship Fund	3,000
CDBG Cottages	250,000
Total Budget Appropriations	**$ 19,706,249**

Adopted and approved this 17TH day of June, 2013.

M-3 <u>Resolution Renaming The Heart of Brevard Municipal District to the Downtown Municipal Service District</u>

Mr. Moore explained the Heart of Brevard organization is in the process of obtaining non-profit status. At present the City's municipal service district and a non-profit organization both have the same name, "Heart of Brevard" and has on occasion been confusing. Staff recommends renaming the City's municipal service district.

Mr. Morrow stated Council has heard tonight that the mood of the downtown merchants is to not change the municipal service district name but to allow it to remain the same. Mr. Morrow moved, seconded by Mr. Jones, Council not rename the City's municipal service district.
Yes: Mr. Morrow, Mr. Jones and Mr. Landreth
No: Mr. Dickson
Motion carried by majority vote.

M-4 <u>Personnel Policy Revision: The Pay Plan (Article III)</u>

Mr. Moore explained the City's current Pay Plan is outdated as it has administrative and maintenance guidelines that do not meet the City's current needs and standards. As a follow-up to the City's latest classification and pay study, staff recommended a Performance Pay Program and Career Development and Performance

Review Program as a means to distribute performance pay in a well-defined and fair manner to all employees. Staff recommends Council adopt the Pay Plan, Article III for the Personnel Policy, as presented, to be implemented July 1, 2013.

Mr. Morrow suggested the City consider moving away from longevity pay (Section 17) and divert it to the performance based system.

Mr. Landreth asked what the role of longevity pay is in the overall Plan.

Ms. Caldwell explained longevity pay is one of the four components in the City's Pay Plan.

Mr. Dickson shared on-going training and development for employees is important and wants to see that move forward.

Mr. Morrow moved, seconded by Mr. Landreth, the Personnel Policy Revision: Article III. The Pay Plan be approved as presented. Motion carried unanimously. (Exhibit A)

M-5 Fiscal Year 2013-2014 Budget Ordinance and Fee Schedule

Mr. Morrow stated he recognizes proposed is the Manager's budget and further recognizes the hard work that has been put into it. He moved to approve with the following amendments:

Mr. Morrow distributed copies of his below prepared proposed amendments to Council, Attorney, Manager and Clerk.

1. Tax increase of 2 cents total to go to the Downtown Master Plan only.
2. An immediate moratorium placed on any permitting fees related to civic organizations, churches and other non-profits that use their own private property for placement of "Temporary Banners/Signs" and for any "Special Event" not requiring the closure of a state highway. This moratorium shall stay in effect until management and staff brings a policy with changes to City Council for it to consider.
3. Declare that the "Old Timey Street Dances", a.k.a. the "*Square Dances*", due to its assistance in fulfilling the Mission Statement of Brevard be a supported effort by the City of Brevard; therefore, operating permit free.
4. Declare that the current three community parade events, the Memorial Day Veterans Parade, the Annual Christmas Parade and the Brevard High School Homecoming Parade, be exempt from a permit fee.
5. Support the Heart of Brevard in economic development dollars in the amount of $30,000. Support the Brevard/Transylvania County Chamber of Commerce in economic development dollars in the amount of $10,000. Support the Transylvania County Arts Council in economic development dollars in the amount of $10,000. Support special appropriations for 4th of July fireworks for $1,500. (Department 6925 total $51,500 vice $41,500)
6. Three humanitarian organizations to be funded $3,333 each shall be Bread of Life Ministries, Transylvania county Christians Ministries a.k.a. "The Sharing House" and the Boys & Girls Club.

I also make the proposal for the following financial defensive actions should the North Carolina Legislature enact HB 998 or any other action that would remove current revenues from municipalities having an financial impact on the City of Brevard:

1. Defer hiring new positions as recommended in this budget.
2. Freeze vacant positions with exception of Police and Fire Departments.

3. Reassess all project timelines and their immediate financial impacts. This includes defunding Bracken Mountain by an additional $90,000 that was added this week from the General Fund Balance.
4. Department Heads would be required to reduce their operational budget by 2.5%.

These actions would keep Franklin Park Pool open. City financial support to the Sports Complex and festivals would be a "good government" action that would be seen as investment in the community.

Motion was seconded by Mr. Jones.

Discussion:

- Council members commented the various proposed/pending legislations, if passed, would reduce revenues to municipalities this year and in the coming years, and would have significant impacts upon this and future City budgets.
- Manager requested for clarity and transparency that he and staff have opportunity to incorporate the proposed amendments to the recommended budget. Items included within the proposed amendments were not anticipated and were not discussed during the budget work sessions. Requested Council's consideration to either recess this meeting or schedule a Special Meeting, to allow staff time to incorporate the proposed changes for review and further discussion.

Mayor called for the question on the motion.
Yes: Mr. Morrow and Mr. Jones.
No: Mr. Landreth and Mr. Dickson.
2 to 2 Tie vote requiring the Mayor to vote. Mayor Harris voted in the affirmative.
Motion carried by 3 to 2.

Manager asked when Council desires to meet to review the budget ordinance with the amendments and for further discussion.

Mr. Pratt explained an adopted amendment supersedes anything that is in an Ordinance. Adopted were amendments to the budget Ordinance. Ordinance is adopted as amended and it is appropriate to direct staff to make the clerical changes to the printed ordinance that has been included in the Agenda packet.

Mr. Pratt asked the City Clerk if it was her understanding that Mr. Morrow's motion was to adopt the budget with the proposed amendments.

City Clerk replied, yes.

Mr. Morrow stated that was the intention of his motion.

Mr. Moore expressed his concerns by explaining when considering all of the amendments presented, Bracken Preserve has been unfunded and staff is being asked to freeze positions. As Manager, he needs to know the full impacts of the amendments and if or how they will impact services. Expressed he feels Council needs to review a re-draft of the ordinance that includes showing the amendments for further discussion.

Mr. Pratt shared with Council the Manager feels the amendments are significant enough that it requires his seeing a re-draft of the entire ordinance in light of the amendments.

Council members expressed their willingness to recess the meeting in order to allow the Manager and staff to prepare a re-draft of the entire ordinance for review and discussion.

Mr. Landreth moved, seconded by Mr. Morrow, Council continue tonight's meeting to Monday, June 24th at 7:00 p.m. to discuss the FY Budget Ordinance. Motion carried unanimously.

N. Remarks by Officials

Mayor Harris expressed appreciation for the success of the White Squirrel Festival and for all those who planned and worked to make it a great event.

Mr. Jones echoed Mayor Harris' comments and extended his thanks to Tammy Hopkins, TCArts Director, for all she is doing in and for the community.

Mr. Pratt shared he recently learned of an article in Woman's Day magazine that has brought Brevard into a very good light. It is an article featuring the contributions of Brevard High School teacher, Ashley Dickson, wife of Council Member Dickson.

O. Closed Session- Mayor Harris asked the City Attorney if it would be appropriate to convene a closed session for the purpose to discuss economic development and potential land acquisition. City Attorney advised it would be appropriate pursuant to **GS § 143-318.11. (a)(3)(4)(5)** with a motion, second and vote required to discuss the matters.

At 8:55 p.m. Mr. Dickson moved, seconded by Mr. Morrow, Council go into closed session to discuss economic development and potential acquisition of property. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the Manager, Planning Director and City Clerk. (A 12 minute break was taken to allow citizens and staff to leave Council Chambers.)

Council Returned to Regular Session – At 9:19 p.m. Council resumed the meeting in regular session. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

At 9:19 p.m. Council dismissed the Clerk and Planning Director in order to hold a closed session to discuss a personnel matter. City Attorney will provide Minutes of the closed session, and will provide to the Clerk the record of Council's return to regular session and actions (if any) taken, and adjournment.

Council came out of closed session at 11:12 p.m. No official action was taken in closed session and the Minutes of the closed session are authorized to be sealed.

Adjourn - There being no further business before Council, Mr. Landreth moved, seconded by Mr. Jones, Council recess to June 24th at 7:00 p.m. Motion passed unanimously.

s/Jimmy Harris	s/Desiree Perry
Jimmy Harris	Desiree D. Perry, CMC, NCCMC
Mayor	City Clerk

Minutes Approved: July 15, 2013

Exhibit A

ARTICLE III. THE PAY PLAN

Section 1. Definition

The pay plan includes the basic salary schedule and the *Assignment of Classes to Grades* adopted by the City Council. The salary schedule consists of hiring rate, minimum or beginning, midpoint, and maximum rates of pay for all classes of positions, and a designation of the standard hours in the work week for each position.

Section 2. Administration and Maintenance

The City Manager, assisted by the Human Resources Director, shall be responsible for the administration and maintenance of the pay plan. All employees covered by the pay plan shall be paid at a rate listed within the salary range established for the respective position classification, except for employees in probationary status or employees whose existing salaries are above the established maximum rate following transition to a new pay plan.

The pay plan is intended to provide equitable compensation for all positions with consideration to differences in the duties and responsibilities, comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial conditions of the City, and other factors. To this end, each budget year the Human Resources Director shall make comparative studies of all factors affecting the level of salary ranges including the consumer price index, anticipated changes in surrounding employer plans, and other relevant factors, and may recommend to the City Manager such changes in salary ranges as appear to be pertinent. Periodically, the City Manager shall recommend that individual salary ranges be studied and adjusted as necessary to maintain market competitiveness. Such adjustments will be made by increasing or decreasing the assigned salary grade for the class and adjusting the rate of pay for employees in the class subject to the approval of the City Council.

Section 3. Starting Salaries

All persons employed in positions approved in the position classification plan shall be employed at the hiring rate for the classification in which they are employed; however, exceptionally well qualified applicants may be employed above the hiring rate of the established salary range upon approval of the City Manager.

Section 4. Trainee Designation and Provisions

Applicants being considered for employment or City employees who do not meet all of the requirements for the position for which they are being considered may be hired, promoted, demoted, or transferred by the City Manager to a "trainee" status. In such cases, a plan for training, including a time schedule, must be prepared by the Department Head. "Trainee" salaries shall be no more than two grades below the minimum salary rate established for the position for which the person is being trained. A new employee designated as "trainee" shall be regarded as being in a probationary period. However, probationary periods shall be no less than six months and trainee periods may extend from three to eighteen months. A trainee shall remain a probationary employee until the training period is satisfactorily completed.

If the training is not successfully completed to the satisfaction of the City Manager, the trainee shall be transferred, demoted, or dismissed. If the training is successfully completed, the employee shall be paid at the hiring rate established for the position for which the employee was trained.

Section 5. Probationary Pay Increases

Employees hired or promoted into the hiring rate of the pay range may receive a salary increase within the pay range of approximately 5% upon successful completion of the probationary period.

Section 6. Performance Pay

Upward movement within the established salary range for an employee is not automatic. Procedures for determining performance levels and performance pay increases or other performance-related movement within the range shall be established in procedures approved by the City Manager.

Each fiscal year, the City Manager shall issue an administrative memorandum, based on approval of the budget, giving guidance to the Department Heads on the availability of funds for performance pay increases or performance pay bonuses and in what percentage amounts may be allotted.

Employees who are at the maximum amount of the salary range for their position are eligible to be considered for a performance bonus at their regular performance evaluation time. Performance bonuses may be awarded when appropriate and subject to availability of funds, based upon the performance of the employee as described in the performance evaluation and in the same amounts as employees who are within the salary range. This bonus shall be awarded in lump sum payments and do not become part of base pay.

Section 7. Salary Effect of Promotions, Demotions, Transfers, and Reclassifications

All promotions, demotions, transfers and reclassifications must be submitted to the Human Resources Director to make recommendations to the City Manager. The City Manager will make the final decision on all requests.

Promotions. The purpose of the promotion pay increase is to recognize and compensate the employee for taking on increased responsibility. When an employee is promoted, the employee's salary shall normally be advanced to the hiring rate of the new position, or to a salary which provides an increase of approximately 5% over the employee's salary before the promotion, whichever is greater. In the event of highly skilled and qualified employees, shortage of qualified applicants, or other reasons related to the merit principle of employment, the City Manager may set the salary at an appropriate rate in the range of the position to which the employee is promoted that best reflects the employee's qualifications for the job and relative worth to the City, taking into account the range of the position and the relative qualifications of other employees in the same classification. In no event, however, shall the new salary exceed the maximum rate of the new salary range. In setting the promotion salary, the City shall consider internal comparisons with other employees in the same or similar jobs.

Demotions. When an employee is demoted to a position for which qualified, the salary shall be set at the rate in the lower pay range which provides a salary commensurate with the employees' qualifications to perform the job and consistent with the placement of other employees within the same classification in that salary range when the demotion is not the result of discipline. If the current salary is within the new range, the employee's salary may be retained at the previous rate if appropriate. If the demotion is the result of discipline, the salary shall be decreased at least 3%. Salaries of demoted employees may be no greater than the maximum of the new range.

Transfers. The salary of an employee reassigned to a position in the same class or to a position in a different class within the same salary range shall not be changed by the reassignment.

Reclassifications. An employee whose position is reclassified to a class having a higher salary range shall receive a pay increase of approximately 5% or an increase to the hiring rate of the new pay range, whichever is higher. If the employee has completed probation, the employee's salary shall be advanced to at least the probation completion amount in the new range.

If the position is reclassified to a lower pay range, the employee's salary shall remain the same. If the employee's salary is above the maximum established for the new range, the salary of that employee shall be maintained at the current level until the range is increased above the employee's salary.

Section 8. Salary Effect of Salary Range Revisions

When a class of positions is assigned to a higher salary range, employees in that class shall receive a pay increase of at least approximately 5%, or to the hiring rate of the new range, whichever is higher. If the employee has passed probation, the employee's salary shall be advanced at least to the probation completion amount (minimum) in the new range. When a class of positions is assigned to a lower salary range, the salaries of employees in that class will remain unchanged. If this assignment to a lower salary range results in an employee being paid at a rate above the maximum step established for the new class, the salary of that employee shall be maintained at that level until such time as the employee's salary range is increased above the employee's current salary.

Section 9. Transition to a New Salary Plan
The following principles shall govern the transition to a new salary plan:

1) No employee shall receive a salary reduction as a result of the transition to a new salary plan.

2) All employees being paid at a rate lower than the hiring rate established for their respective classes shall have their salaries raised at least to the new hiring rate for their classes.

3) All employees being paid at a rate below the maximum rate established for their respective classes shall be paid at a rate listed in the salary schedule if a step plan is in use; all employees not at a listed rate shall have their salaries raised to a listed rate.

4) All employees being paid at a rate above the maximum rate established for their respective classes shall have their salaries maintained at that salary level with no increases until such time as the employees' salary range is increased above the employees' current salary.

Section 10. Effective Date of Salary Changes

Salary changes approved after the first working day of a pay period shall become effective at the beginning of the next pay period. Performance Pay increases or bonuses will become effective on the employee's anniversary date or at such specific date as may be provided by procedures approved by the City Manager.

Section 11. Payroll and Timesheets

The pay week for all City departments will begin Monday and end Sunday night. Payroll is processed on a bi-weekly schedule and time cards are to be turned in following the weeks worked with signatures from both the employee and Department Head for the accurate time worked and/or any sick, vacation or holiday pay which has been approved.

In the event an employee records time that is inaccurate or inconsistent with the time scheduled by a supervisor and/or Department Head then the payroll must be immediately adjusted and the Human Resources Director notified. If an employee willfully records time that was not worked in order to be paid these actions will be grounds for disciplinary action as outlined in Article IX.

Except for extenuating circumstances, any employee's failure or refusal to submit a signed time card will result in an employee's time not being processed for that pay week. Time worked will be paid upon completion of and the signing of the time card. Such actions may be grounds for disciplinary actions as outlined in Article IX.

Payroll will be run once a month for the City Council, the Mayor, and Fire Department employees. Other volunteer boards, as designated by the City Council, will be paid semiannually during the year.

Section 12. Overtime Pay Provisions

Employees of the City can be requested and may be required to work in excess of their regularly scheduled hours as necessitated by the needs of the City and determined by the Department Head. Overtime work should normally be approved in advance by the Department Head or City Manager.

To the extent that local government jurisdictions are so required, the City will comply with the Fair Labor Standards Act (FLSA). The City Manager and the Human Resources Director shall determine which jobs are "non-exempt" and are therefore subject to the Act in areas such as hours of work and work periods, rates of overtime compensation, and other provisions.

Non-exempt employees will be paid at a straight time rate for hours up to the FLSA established limit for their position (40 hours in a 7-day period; 168 hours for police, in a 28 day period). Hours worked beyond the FLSA established limit will be compensated in either time or pay at the appropriate overtime rate.

In determining eligibility for overtime in a work period, only hours actually worked shall be considered; in no event will vacation, sick leave, or holidays be included in the computation of hours worked for FLSA purposes.

Whenever practicable, departments will schedule time off on an hour-for-hour basis within the applicable work period for non-exempt employees, instead of paying overtime. When time off within the work period cannot be granted, overtime worked will be paid or compensatory time will be accrued at 1 ½ times the regular rate of pay, in accordance with the FLSA.

Employees in positions determined to be classified as "exempt" by the FLSA (as Executive, Administrative, or Professional staff) will not receive pay for hours worked in excess of their normal work periods (regular 40 hour weekly or 80 hour bi-weekly). These employees, due to the nature of their work and pay classification, will not receive compensation time for these hours.

Compensatory time balances may not exceed a maximum of 80 hours in one fiscal year. Any employee who has a comp time balance exceeding 80 hours from previous fiscal years, will be required to take comp time before taking vacation time for scheduled or unscheduled absences dependent upon department schedules as a whole and previous leave approvals scheduled.

Department Heads will carefully review each employee's comp time earned, comp time paid and/or comp time "banked" request with each payroll. Departments will receive monthly leave reports showing the amount of hours earned and banked for each employee's comp time.

All employees comp time must be recorded on timesheets for recordkeeping in the payroll system. Comp time reflected in the payroll system supersedes any comp time records established or maintained by departments or individuals.

Section 13. On-Call Pay

The City provides a continuous twenty-four hour a day, seven day a week service to its citizens. Therefore, it is necessary for certain employees to respond to any reasonable request for duty at any hour of the day or night. One of the conditions of employment with the City is the acceptance of a share of the responsibility for continuous service, in accordance with the nature of each job position.

Each applicable department has an established rotation where different employees share responsibility for being ready to return to work for a specified period of time when called. On-call status in a department must be regularly shared by more than one employee on a rotating basis. The employee must be in touch by beeper, radio, or telephone numbers left available at all times of assignment, wherever he or she goes. On-call status means being fit and able to report to work within an acceptably short period of time, as designated by the department.

Departments may also establish procedures where employees may request <u>in advance</u> to have a substitute cover for him/her for a designated portion of the on-call time for reasons acceptable to and approved by the supervisor. The hours which were covered by the substitute would be deducted from the total on-call hours of the primary employee, and would be paid to the substitute.

If an employee fails to respond to reasonable calls for emergency service, either special or routine, the employee shall be subject to disciplinary actions up to and including dismissal by the City Manager.

Section 14. On-Call Compensation and Call-back Pay.

When designated on-call employees are not performing work duties, the City will provide compensation in appreciation for the commitment of being on-call. Compensation will be paid to non-exempt employees at the rate of $.90 (90 cents) per hour of on-call time.

When a non-exempt employee is actually called back to work or a worksite because of special needs or emergencies, non-exempt employees will be paid for a minimum of two hours of work, even if their actual work time was shorter. "Call-back" provisions do not apply to previously scheduled overtime work (scheduled one or more days in advance).

Section 15. Payroll Deduction

Deductions shall be made from each employee's salary, as required by law. Additional deductions may be made upon the request of the employee on determination by the City Manager as to capability of payroll equipment, associated increase in workload and appropriateness of the deduction.

It is the City's policy to comply with the provisions of the FLSA with regard to deductions from exempt employees' salaries. Accordingly, improper deductions from exempt employees' salaries are specifically prohibited. If an employee believes that an improper deduction has been made, immediately contact your supervisor and the Human Resources Director. Any exempt employee who believes that an improper deduction has been made from their salary may also file a grievance in accordance with the provisions of Article X.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, reimbursement for that deduction will be provided.

Section 16. Hourly Rate of Pay

Employees working in a part-time or temporary capacity with the same duties as full-time employees will work at a rate in the same salary range as the full-time employees.

Section 17. Longevity Pay

Full-time employees of the City may be compensated for years of continuous service by payment of a longevity supplement based on the following table. Annual longevity amounts are based on years of service and amount listed as outlined below. The date of eligibility will be set as of January 1st of each year. Payments shall be made on the first pay date in December of each year.

Years of Service	Longevity Amount
0-4	$150.00
5 -9	$500.00
10-14	$750.00
15-20	$1000.00
21 yrs. and over	$1250.00

Maximum longevity payment shall have a ceiling of $1,250.00.

Longevity pay is not guaranteed, but rather is subject to the approval of the City Council and may or may not be approved each fiscal year depending upon the financial conditions of the City and other factors. Longevity pay would not be considered a part of the annual base pay. Appropriate federal state, retirement, etc. deductions will be made.

Section 18. Bonus for Permanent Part-Time, Auxiliary and Fire Personnel

In lieu of a longevity bonus for permanent part-time, auxiliary or the Fire Department the following bonus provisions have been established.

1) Permanent part-time employees, as outlined in Article I, Section 9. will receive a bonus of $75.00.
2) Auxiliary employees who have worked over 200 hours during the current year and are still active on the department's roster will receive a bonus of $75.00.
3) Fire Department officers and volunteers will receive a bonus of $50.00.

Payments shall be made on the first pay date in December of each year.

These bonuses are not guaranteed, but rather are subject to the approval of the City Council and may or may not be paid as approved for each fiscal year depending on the financial conditions and other factors. These Bonuses are not to be considered a part of annual base pay. Appropriate federal and state, retirement etc. deductions will be made.

Section 19. Pay for Acting in a Higher Level Classification

An employee who is formally designated to perform the duties of a job that is assigned to a higher salary grade than that of the employee's regular classification may receive an increase for the duration of the "Acting" assignment. The employee may receive a salary adjustment to the minimum level of the job in which the employee is acting or an increase of 5%, whichever is greater. Any such salary increase shall be temporary and upon completion of the assignment, the employee shall go back to the salary he or she would have had if not assigned in the "Acting" role, taking into account any increases the employee would have received if they had not been placed in the "Acting" role.

If a cost of living adjustment (COLA) increase is given during this time then the increase will be based on the original position. In the event a performance increase is given it will be based on the original position.

Department Heads who work in a capacity other than their department, along with assigned duties, for a temporary time frame will receive a minimum increase of 5% at the discretion of the City Manager.