

MINUTES

A workshop meeting was held in the meeting room in City Hall on Monday, March 28, 2016 at 6:00 p.m. for the purpose of setting guidelines for the appropriation of funds for a Borrowing Resolution in the amount of \$850,000.00.

PRESENT

Kimberly B. Lawson, Mayor
Charlotte Scott, Council Vice President
LaVerne Johnson, Councilwoman
Mike Atkins, Councilman
Erik Emely, Councilman
Mark Konapelsky, Councilman
Richard M. Pollitt Jr., City Manager
Joyce L. Morgan, Clerk-Treasurer

Also in attendance; Valerie Swift, Secretary; Dean Bozman, Director of Public Works; Jimmy Charles, Public Works Foreman; Richard Crumbacker; and Virginia and Jim Bradshaw.

Mayor Lawson called the meeting to order, opening with the Lord's Prayer and the Pledge of Allegiance.

Mayor Lawson opened the meeting concerning the borrowing of money for streets and equipment.

Mrs. Morgan advised that she had met with Tim Boston, President of Hebron Savings Bank, but needs to get a legal determination about shopping other banks.

Mrs. Morgan noted that HSB has proposed \$850K with the first five years of annual payments at \$56K.

She advised that the City has a Hurricane Sandy Line of Credit with HSB. She also advised that if the money is taken as a loan, the interest rate is 2.9%, but if it taken as a line of credit, interest would be at the prime rate.

Mayor Lawson noted that when the City had obtained prior quotes from PNC Bank, the interest rate presented was higher than the one that was quoted. He also noted that the City has had no banking relationship with BB & T in recent years.

Council Vice President Scott inquired if we can borrow the \$850K in pieces. Mrs. Morgan advised that it would then be considered a Line of Credit.

Mayor Lawson made reference to the HUR Supplemental of \$80K. Mrs. Morgan advised that we get that in August.

Councilman Emely inquired about the loan turn-around time. Mrs. Morgan advised that it would be quick, but can't be borrowed before April 1st and we can't borrow more than 15% of the General Fund budget.

Mrs. Morgan reviewed the debts that will retire in 2017.

Councilman Konapelsky stated that 1.2M in Hurricane Sandy money will be spent this summer to pave designated streets and we can do more with HUR when the pavers are here. He questioned borrowing \$850K to do more, and feels that we will have to raise taxes. He advised that he won't support borrowing \$500,000 or \$850,000 when we already have \$1.2M for paving and suggested that we wait a year to see the results of the wind turbine once that is in place, then make a responsible decision.

Councilman Emely commented that the City has been waiting for many years and we need to get something done to fix up the City.

Councilwoman Johnson commented that she had been a councilmember for ten years and has torn up her own vehicle on our streets. She commented that debt is the only answer to fix all of the roads right now.

Councilman Emely questioned what would have been done if Sandy never happened and we didn't get the \$1.2M

Councilman Atkins commented that he voted against the \$850K at the last meeting. He noted that the

City has never paved streets with the General Fund but once, on Cove Street. He commented that you aren't afraid to take a risk if there is a return on your investment, but with paving, there is no return on the investment.

Council Vice President Scott stated that she feels that more streets need to be paved. She advised that it is an investment and facelift for the City. She commented that she doesn't see that we will raise taxes.

Councilman Emely inquired as to what taxes pay. Mayor Lawson advised that they pay for police service, street lights, insurances, etc. He added that he understands Councilman Konapelsky and Councilman Atkins concerns.

Councilman Konapelsky noted that the City still needs to spend \$7K for water reading equipment, and a salary for a new Public Utilities director. He suggested staying where we are for a year, adding that we need public support.

Councilman Emely advised that we need to get the ball rolling by starting on the downtown parking lot. Mayor Lawson noted that the borrowing of money hasn't been voted on yet. He also noted that there has been no discussion about raising taxes.

During further discussion, Mayor Lawson made reference to paying down the \$70K Cove Street loan and the Mariners Road water line issue.

Councilman Konapelsky commented that with a \$500K loan, HUR will be tied up for 5 years, but with an \$850K loan, it would be necessary to raise taxes.

Council Vice President Scott commented that we could use the payment from the Cove Street loan, which would be available, halfway through the project.

Mayor Lawson made reference to the meeting concerning It Takes a Village, tomorrow at 12:00. He

advised that he would like to discuss saving the gym at Woodson Elementary as well as the CDBG Grant and the City's obligation.

Councilwoman Johnson commented that the Mayor hadn't spoken to her about this matter and is concerned that Mayor Lawson doesn't speak to all Council.

PUBLIC INPUT

Jim Bradshaw advised that he is concerned about taxes being raised on residents, but he also sees the need for paving.

Councilman Emely advised that the City would cut other things before raising taxes.

Vivian Bradshaw commented that some of the new sidewalks being installed didn't need replacing.

Mayor Lawson advised that this was being done through State Highway funding to bring our sidewalks in compliance with ADA requirements.

Council Vice President Scott added that there are different funds for different projects.

Councilman Emely commented that we are talking about spending money from guaranteed revenue source, so do we do a little at a time or use guaranteed HUR funding.

Council Vice President Scott noted for clarification that the meeting today was not anything concerning It Takes A Village.

There being no further business for discussion, Councilman Konapelsky made a motion to adjourn, seconded by Councilman Emely and carried unanimously.

Respectfully submitted,

Joyce L. Morgan, Clerk-Treasurer

Prepared by Valerie Swift, Secretary