

June 25th, 2018
Special Meeting
2017-2018 Budget Amendments
2018-2019 Budget Public Hearing

At 7:00pm, on Monday, June 25th, 2018, in the Board Room of the Landis Municipal Building, Mayor Mike Mahaley called to order the Town of Landis Board of Aldermen Special Meeting. Those present along with Mayor Mahaley were Aldermen Tommy Garver, Bobby G. Brown, Tony Corriher and Seth Moore, Town Manager Reed Linn, Public Works Director Ron Miller, Police Chief Kenny Isenhour, Finance Officer Ginger Gibson, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

A quorum was met.

Mayor Mahaley opened the meeting and welcomed all those in attendance.

The pledge of allegiance was then led by Mayor Mahaley.

The first order of business concerned budget amendments for the 2017-2018 fiscal year. There was some discussion. This was simply a housekeeping measure that had to be done at the end of the budget year. There was brief discussion.

Alderman Brown motioned, seconded by Alderman Garver, to adopt the budget amendments for the 2017-2018 fiscal year. All voted aye.

The next order of business concerned the public hearing for the proposed 2018-2019 budget. Mayor Mahaley reminded everyone present to please clearly state their names when coming forward to speak.

Manager Linn stated that this was a very “aggressive” budget and the Board had given Staff a lot of input and goals to accomplish. He then went over some of the General Fund highlights, which included Administration, Police, Fire, Streets, Sanitation and Recreation. It had been many years since many of the Town’s streets had been paved and while they did receive Powell Bill Funds every year, it was not a large amount. The Board had indicated they wanted to start a street paving plan and a few different items had been addressed in the budget to make that possible such as a transfer from the Powell Bill Fund, a new vehicle tax in the amount of \$30.00 per car and a \$.05 tax rate increase.

The General Fund also included a 3% COLA (Cost of Living Adjustment) raise for employees, who had not seen a collective raise since 2007. The budget also included the addition of new employees at the park office, the pool and at Public Works. Mowing would also be brought back in house to be handled by Public Works.

In the Electric Fund, there would be a 3% increase, which was needed due to the 5% decrease that had been implemented several years ago.

In the Water Fund, water rates would be going up to help with the water project.

In the Sewer Fund, there was a major expansion needed in the Oaks of Landis. Engineering of this expansion would begin this year. There was some discussion.

Manager Linn stated that they had tackled a lot in this budget. Everything had been discussed and the Board wanted it in the budget.

Mayor Mahaley then opened the public hearing for the 2018-2019 Proposed Budget.

Nadine Cherry: stated that she was very disappointed with the tax increase and that when Roger Safrit was on the Board he had stated several different times that the Board needed to start going up \$.01 per year on taxes until caught up, so it wouldn't have to all be done at once. She also did not agree with the vehicle registration tax, even if it was to help pave the roads. She stated that people already get out of paying their taxes sometimes, and that even now there were people who did not pay their property tax every year and she had brought it to Manager Linn's attention. She stated some of these unpaid taxes went back 7-8 years and that some had only made partial payments. Ms. Cherry inquired if the two new employees who would be doing landscaping would be full time, Manager Linn confirmed they would be. She also inquired what capital improvements would be carried out at City Hall. Manager Linn explained that an A/C unit that was currently not working needed to be replaced and there was still painting to be done in the southside of the building. There was some discussion about the transfer of money from the Electric Fund to the General Fund.

Sam Deadmon: inquired why Landis has chosen \$30.00 for the vehicle tax because Kannapolis only charges \$15.00 and Salisbury was \$10.00. Manager Linn explained that is the max amount and was chosen so they could raise as much as possible, as Landis only has about 3,450 vehicles. There was some discussion of the vehicle tax.

Greg Steinbarger: stated that he was extremely grateful to be in this town and that every time he has had an issue, it is always resolved quickly. He stated that he was very grateful of all the work (employees) do and that he knows most of it is unseen and how constraining a budget can be. However, he was concerned about all of the increases occurring at once. He stated that he's not wealthy but he does own his own home and has cards and an RV with a tag. He stated that he understood a COLA raise for employees, but salaries had also jumped \$14,000.00 from previous years and it made him wonder. He knew we had a new park but he was still concerned. He also stated that when the Town needs \$300,000.00 to pave roads and has \$100,000.00 budgeted for Christmas lights, that it's very concerning. He stated that he did not envy the Board but he trusted them, he just asked them to please be mindful of how these increases would impact citizens.

Meredith Smith: stated that she thought it was said that the Board was going to price people out of living in Landis and why hadn't they started the vehicle tax at \$15.00 instead of going straight to the max. She stated that people can't afford to live here, no matter how Mayor Mahaley felt about that statement. She also did not understand why the Town was hiring two people and equipment to do the mowing instead of just keeping it contracted out. Mayor Mahaley stated that the Town paid more than the \$50,000.00 contract to do the landscaping for the Town. For example, everything at the lake was done by Town employees. There was some discussion of this matter. Ms. Smith stated that right now you can ride down the street and see a lot of signs on homes for rent or sale. Mayor Mahaley stated that Ms. Smith could afford to live in Landis; Ms. Smith countered that she wasn't speaking about herself, but on the behalf of others.

Hope Oliphant: stated that she works at Main Street Mission and that she comes into contact with people who cannot pay their bills and most people cannot afford the increases. She stated that Lake

Corriher is nice, but people cannot afford that and she didn't like to see all the increases without significant cuts.

Adam Love: stated that he is a Methodist pastor and he had been here a few years. He had witnessed the railroad cut the town in half, mill closings and in the next twenty years there would be a steep decline of children of school age. He stated that he hears quite often at the YMCA and the Mission that they live in Kannapolis and China Grove because it's cheaper. He stated there was not a lot of "diversity" here to speak and he asked the Board to think of those without a voice. He also inquired if they really needed to go to the max (with the vehicle tax) all at once; he understood that the roads needed paving, but did it need to be all at once. Also, if the Town needs new Christmas lights, did it need to be all at once. Mr. Love stated that he was advocating for the future of the community as well.

David Roberts: passed out a handout that included questions he wanted the Board to review and answer. He thanked the Town for their help with Vacation Bible School and thanked the Board for running. Some of the questions included: how long had it been since the employees had a raise; which roads would be paved and how would it be decided; if the Board voted to approve the budget as it was presented, does that mean it would decrease next year (due to there being a COLA raise and street paving included, etc.); how much paving could be done for \$300,000.00; and inquired about the lot at Mt. Moriah Lutheran Church and how it would be resolved fairly for everyone involved.

Mayor Mahaley stated that he would answer all of those questions if Mr. Roberts wanted to wait until after the meeting; all were welcome to stay to meet with Mayor Mahaley and Manager Linn. The audience audibly protested waiting until after the meeting to get answers.

Mr. Roberts had several other questions: does the Wilderness Park bring in revenue; what is the bid process; why was the mowing contract being cancelled to bring it back in house? He stated that it seemed like they were growing the size of the government. He also inquired as to which personnel have access to the credit cards and is it available to the public.

Ellen Boyle: thanked the Board for their time and their service. She stated that Landis was 2.41 square miles and wanted to know how much the paving would actually cost and if it was actually necessary. She said it was not too bad. She had watched other towns go from prosperous to run down because people can't afford to live there. She stated that a \$30.00 vehicle tax is huge for some and that \$100,000.00 for Christmas lights was entirely too much. She stated that the park and pool are great, but not everyone swims. She stated that the Board needed to review the budget and make some cuts. She stated there were at least a dozen foreclosures in the Oaks and that people were selling because they could not afford to live in Landis.

Mayor Mahaley stated that in 2014 when the Town had the survey done of the roads there were approximately 65 that had damage and at that time it would cost \$4.5 million dollars to repave all of them. The Board was trying to set up a paving program, since the roads had been neglected for years. Mayor Mahaley stated that during the election, one of the biggest things they heard was that the roads needed attention. They were trying to start light, but they did need to start. It would be a 10-15 year project because the roads are in terrible shape. Ms. Boyle stated they wouldn't have to worry about the roads if no one lived there.

Dale McCarty: stated that he disagreed with all of this. He stated that some of the Board members came into office stating they were going to cut rates, that the Town was spending too much, etc. and this new budget was \$1.2 million more than last year. He applauded people speaking their minds, stating that not

everyone can afford these increases and where would it stop. Mr. McCarty stated that the park was “self-inflicted” and now they were talking about a greenway. He wanted to know who would mow that. He stated that people were getting tired of everything becoming more expensive because they can only pay so much. He asked the Board if the people deserved these increases. He agreed that they did need to do some things, but urged the Board not to get “greedy”. He stated that he had no problem with a COLA raise, but not when there was also a furlough day because they should not be giving people a raise to “stay at home”. He stated that the people do not deserve all of these increases, not all at once, and they (the Board) should go back to what they ran on.

Larry Farmer: stated that he sees things a bit differently now that he had retired and he agreed the streets were in bad shape. Now the Board was saying they would have to pay \$30.00 per year for every vehicle that has a tag and a \$.05 tax increase. He stated there was nothing here to do for children or grandchildren. He had a contractor work on his house that said he couldn't afford to live in Landis, so he went to China Grove instead. He stated that Landis had a lot of people who were retired and if they keep increasing everything they would lose more people. He stated that Landis was a good town, and the Board needed to run it like a good town.

Sam Deadmon: stated that when he quite traveling 25 years ago, he wanted to move to Landis and at that time there were no houses for sale. Now, a very large number are for sale or rent and that he can't sell his house now because of the tax rates, utility rates, etc. He stated that he likes the job the town does, and he's grateful, but it was getting expensive to live here and he asked them to take a hard look at the budget. There was some discussion of the COLA raise and Mayor Mahaley stated that they had good people who work for the town and it had been twelve years since the last COLA raise because every year it was put off. Mr. Deadmon stated that he had no complaints about the staff.

Arlis Campbell: stated that she spoke to Mayor Mahaley before the election and they had talked about the cost of living in Landis, especially concerning utility rates. She had voiced concerns to him about how expensive it was to live in Landis and that she's a single parent now; she used to teach but she had become disabled and it was getting really hard to pay the bills. She stated that she was one of those who goes to Rowan Helping Ministries for help. She stated that she had been doing a lot to improve her home, but she was worried about doing it now in case she had to sell. She had been grateful when the rates had gone down a bit. She felt \$30.00 a year per vehicle was too much as she was the only one working in her household. She stated that she liked the old Christmas decorations and thought new ones could be worried about at a later date. She asked the Board to please look at doing things gradually.

There were no further citizens comments.

Alderman Brown motioned, seconded by Alderman Garver, to close the public hearing. All voted aye.

Mayor Mahaley stated that everyone had been given an opportunity to speak and he understood where everyone was coming from but they could not understand fully unless they were sitting up here. He stated that things simply weren't like they used to be. He stated that Ms. Campbell was correct, when they had spoken he had been upset, but the town and Board are required to do so much. There was some discussion of the purchasing of water and the rates, as well as the sewer rates in general. He assured those present that the Board was not looking to take advantage of anyone. Additionally, the Board had voted previously to cut the electric rates by 5% and while that had been great, it had been harsh and he stated that they should not have done it. He stated that Manager Linn and Finance Officer Ginger Gibson had told them they should not lower the rates. Due to that decrease, they had lost a large amount of money in the Electric Fund so they had to go back up.

Mayor Mahaley then discussed the state of the roads and that they would do the worst roads first and do a certain amount each year. He stated that many people here tonight had complained about the state of the roads. The Board had chosen a vehicle tax because half of the homes in Landis are rentals and this allows renters to pay their part as well. The Board chose this instead of an \$.08 tax increase.

Mayor Mahaley stated that the Christmas lights were included because the current ones had been up 10-12 years and have old bulbs that can no longer be purchased.

Mayor Mahaley stated that this budget had not been put together lightly and he was retired and like a lot of people he has quite a few cars. However, he wanted this road paved one day as well. He urged people to go look at Fifth Street to the city limits or ride down Davis Street. A lot of streets in the town were in the same condition. He stated that they were doing the best they could for the citizens and it isn't pleasant and they do not take the process or increases lightly.

Mayor Mahaley stated that Lake Corriher was a big expense and when the project was first taken on, none of the current Board members were serving. He stated that he loves it, but he did not think the Town should take it any further when he was elected. However, the money had already been earmarked and spent and if the town works hard, it can eventually pay for itself. Also, the pool was the busiest it's ever been. He stated that some people acted like the Town had nothing to offer, but he asked how many towns have their own pool and park like this. He stated that they would make it work.

Alderman Seth Moore: stated that he felt the current budget needed work and that the Town needed to keep the mowing contract; also, the vehicle tax needed to be lower considering all of the other increases. He felt that it was hypocritical for some Board members to run on lowering rates and now they were increasing all of them. He stated it was why he had voted against the budget two years ago because it had been stated that taxes would need to be increased in two years. Mayor Mahaley stated that was not said and Alderman Moore responded that he could show Mayor Mahaley the minutes. Alderman Moore stated that they had talked about the vehicle tax and property tax increases but he stated that he had not known about the 3% electric rate increase until tonight.

Alderman Moore stated that he did not think they should do a \$30.00 vehicle tax at the same time as a property tax increase; the mowing should remain contracted out; the roads are a problem, but they needed to pace it better; Christmas lights should not be purchased; but he did agree with the COLA raise. He stated that the rest was "smoke and mirrors" that some Board members had said what they needed to in order to get elected, then not care.

Alderman Bobby Brown: stated that when he was elected he had said he was going to put the road (paving) project in place, but he had not known about all of the debt service the Town had or the problems of the past the Board would have to handle. He stated that all of the Board had discussed things during the budget meetings and how to handle the various items and the road project had been included. He stated that this Board was tasked with handling problems, both old and new, and that everything being put in place would help in the long run.

Tommy Garver: stated that the Board held three public budget meetings and everyone is invited and that Ms. Cherry had been at all three meetings, but no one else attended. He stated that Alderman Moore had been at most of those meetings but tonight was the first time he had offered any objections and he wished Alderman Moore had spoken up while they were still making preparations. He felt it was odd

that he had waited until tonight. There was then a brief, heated exchange between Aldermen Moore and Garver.

Alderman Garver then stated before the Town spends anything else, there is \$3 million in debt service that has to be paid every year. He stated that he had tried to stop Lake Corriher, but the project was already too far down the road; the money had already been borrowed. Now that the project had been completed, they had to have employees there to run it. Also, he wanted it made clear that the \$300,000.00 was not for paving the entire town, that would only pay for a few streets. Alderman Garver stated that he was also retired and he had taken that into consideration, but this was something the Board needed to do. He was in favor of the COLA raise.

Alderman Tony Corriher: stated that a lot of things that had been put in motion over the last forty years were coming to fruition and the town had a lot of fixed payments that had to be made every year. He stated that the park would pay for itself one day and that the town does use a bid process. Also, he did not personally have a town credit card, but he was certain Manager Linn knew every cent being spent. Alderman Corriher expressed his desire for everyone to come to every meeting. He also commented that if the citizens had approved the bonds fifteen years ago, the town would still have its own water plant. There was some discussion about the Salisbury sewer line. There was also some discussion of the water and mill history in Landis.

Alderman Brown motioned, seconded by Alderman Corriher, to adopt the Budget Ordinance for the 2018-2019 fiscal year. Aldermen Brown, Corriher and Garver voted aye. Alderman Moore voted nay. The motion passed.

Alderman Brown motioned, seconded by Alderman Garver, to adjourn the meeting. All voted aye.

The meeting was adjourned at 8:20pm on Monday, June 25th, 2018.

Heather Wood
Administrative Assistant