I. The Meeting was called to order in the Council Chamber at City Hall at 6:00 p.m. by Mayor Thompson.

II. Public Hearings and Actions

1. Public Hearing to Consider the City of Morganton Budget for Fiscal Year 2018-2019

The Mayor opened the public hearing at 6:00 p.m.

The City Manager stated that the Budget Ordinance establishes the property tax rate at $0.57 per $100 valuation and $0.14 for municipal service district tax per $100 valuation. Also included are revenues anticipated and expenditures authorized as presented to the City Council on June 4, 2018. The public hearing notice was published in The News Herald on June 13, 2018.

Councilman Simmons stated he is for progress in the City but there are a couple items he is opposed to and wants to be on record as being opposed, however he will vote to support the budget.

Councilman Simmons stated he is opposed to renovating the fire truck. He stated that he does not feel the renovation accomplishes anything. He stated it is his opinion that if the truck is well maintained and is able to pass the ladder test and pump test the truck is "good to go".

Councilman Simmons stated he is opposed to giving employee cost of living raises; he stated he has opposed this for six-years. He stated he is not opposed to employees getting raises, but is opposed to a percentage raise and feels it is not fair to lower-paid employees.

Councilman Simmons stated he is opposed to the $20 registration fee for vehicles.

Councilman Fleming asked what would be the recommendation of Councilman Simmons for the fire truck restoration. Councilman Fleming stated it was his understanding that if renovated this will give the City an additional 10-years of certified service from this fire truck.

Councilman Simmons stated his recommendation is to run the truck through a ladder and a pump test and if it passes it should be good to go; do nothing and ride it out until it won’t pass the test. He stated he does not understand what will be accomplished by refurbishing; he doesn’t understand what good it does.

There being no public comment, the Mayor closed the public hearing at 6:01 p.m.
a. Consideration of Adoption of the City of Morganton Budget for Fiscal Year 2018-2019

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council adopted Budget Ordinance (Ord. #18-44) for FY 2018-2019.

b. Consideration of Adoption of Schedule of Fees and Charges 2018-2019

Upon motion by Councilman Fleming, seconded by Councilman Hawkins, and carried unanimously, the Council adopted the Schedule of Fees and Charges for FY 2018-2019.

III. Consideration of Approval of Year-end Budget Amendments 2017-2018

The City Manager stated that the only funds requiring year-end amendments are the General Fund and the Community House Capital Projects Fund. The General Fund amendment is $85,000. No additional fund balance is required for amendment due to increases in various revenues.

The Community House Capital Project Fund established for the renovation needs to be closed out. This requires a resolution and amendments to transfer private funds to repay the Capital Reserve Fund and to adjust the General Fund accordingly.

Finally, each June we adjust the Fireman’s Supplemental Retirement fund to reflect actual. This amendment is for $2,807.

Upon motion by Councilman Fleming, seconded by Councilwoman Cato, and carried unanimously, the Council approved the General Fund Budget Amendment of $85,000 (Ord. #18-39).

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council adopted Resolution #18-17 to close Fund 58 (Community House Renovation) Capital Project Fund.

Upon motion by Councilman Hawkins, seconded by Councilwoman Cato, and carried unanimously, the Council adopted budget amendments totaling $125,747 to close the Community House Capital Project fund and repay the Capital Reserve Fund $40,000 from private donations. (Ord. #18-40 & 18-41)

Upon motion by Councilwoman Cato, seconded by Councilman Fleming, and carried unanimously, the Council adopted a budget amendment (Ord. #18-42) for $26,722 to appropriate final retainage to close out the Community House renovation project.

Upon motion by Councilman Fleming, seconded by Councilman Hawkins, and carried unanimously, the Council approved budgeting the annual receipt and disbursement of Supplemental Retirement income for firefighters in the amount of $2,807. (Ord. #18-43)

IV. Consideration of Approving the Project Budget Ordinance for 2018-19 CDBG and to Enter into an Administration Contract with the Western Piedmont Council of Governments

The City Manager stated that a requirement of the CDBG Entitlement Program is that the City of Morganton adopted a Project Budget Ordinance each year to reflect the current budget revenues and expenditures.

The City also contracts with the WPCOG to administer the 2018-2019 CDBG Entitlement Program.

Upon motion by Councilman Hawkins, seconded by Councilman Simmons, and carried unanimously, the Council approved the CDBG 2018-2019 Project Budget Ordinance (Ord. #18-38) in the amount of $259,145, and to enter into a contract with the WPCOG to administer the 2018-2019 CDBG Entitlement Program.
V. Consideration of an Agreement to Participate in the 2018-2019 Western Piedmont Stormwater Partnership

The City Manager stated the Stormwater Partnership, going into its eighth year, was formed to assist the local governments in our region who are obligated to manage stormwater runoff under the Phase II NPDES (National Pollutant Discharge Elimination System) Stormwater Permits. The Partnership is an ongoing collaborative effort lead by WPCOG to collectively and adequately fulfill the Education and Outreach requirements of active Phase II Stormwater Permit holders with a minimal burden on local government staff. The participating governments share equitably in the cost and benefits of the program. The cost for Stormwater Partnership services in annual fees to each local government has remained virtually unchanged since its inception. This year there is no increase in the $5,189 annual cost to the local governments.

Upon motion by Councilman Fleming, seconded by Councilwoman Cato, and carried unanimously, the Council approved the agreement to participate in the 2018-2019 Western Piedmont Stormwater Partnership at a cost of $5,189.

VI. Consideration of Approval of Allocated Positions for Fiscal Year 2018-2019 and Approval of Updated Pay Ranges Resulting from Pay and Classification Study

The City Manager stated that it is customary for City Council to allocate the designated number of positions (full time and permanent part time) with each budget. The number of positions included in the proposed budget is summarized (see attachment) for Council's approval.

After completing the comprehensive pay and classification study in FY 2016/ 2017, the HR Department is doing an annual review of 1/3 of all City positions to monitor market rates and recommend any changes to pay ranges. This is to ensure we are staying in touch with the market place and that each position gets reviewed as least every 36 months. Public Safety and Electric were done in FY 2017 /2018, and based on market data there is a need to increase the pay ranges for all sworn positions in Public Safety and the line technician and supervisory positions in Electric by one pay grade. Updated pay ranges for all full time and permanent part time positions with the City are listed on the material presented to the Council.

Upon motion by Councilwoman Cato, seconded by Councilman Hawkins, and carried unanimously, the Council approved the Allocated Position Table for Fiscal Year 2018 / 2019 and approval of the new pay ranges table.

VII. Consideration of a Resolution Requesting and Approving North Carolina Department of Transportation Participation in Funding of Stormwater Drain Repair/Replacement on South Sterling Street

The City Manager stated that City Council has previously been apprised of the serious failures in the storm water drains in the 500 block of South Sterling Street, just north of the Norfolk Southern railroad embankment (“the S. Sterling drains”). Although these pipes are on private properties, the City is responsible for their maintenance under documents recorded in the 1960’s. The City Engineer has designed a proposal for the repair, replacement and re-routing of the S. Sterling drains, including several new or repaired catch basins and much more suitable 60 inch pipes (“the Project”). The City has also determined that the estimated cost of the Project will be in excess of $700,000.

These storm drains are close to, and parallel to, S. Sterling Street, which is a State-maintained road, NC Highway 18. A very large portion of the surface water run-off carried by the S. Sterling drains is from NC 18 and other State roads in the downtown area. Further, DOT repairs to NC 18 and storm drains beneath it have apparently increased the flow of run-off into the S. Sterling drains. Therefore, the City has always insisted that NC DOT bears some of the responsibility for maintenance and replacement of these drain pipes.
NC DOT has indicated it may have funds available to pay for part of the anticipated costs of this Project—in the amount of $350,000. In order to gain approval for expenditure of this sum, DOT requires an appropriate resolution from City Council formally requesting such funding, and approving the particular use. While this is not a “matching grant”, the City will be responsible for the costs of the Project over and above the amount DOT provides.

The City will be ordering the materials for the Project, and will contract for construction. City staff anticipates that the Project will be advertised for bids in July, and that Council should be asked to award the contract at its August 6 meeting.

Mayor Thompson asked if some of this will be spent on the north side of the railway. The City Manager stated it will all be on the north side.

Councilman Fleming asked if the railroad was participating in this project. The Manager stated they were not and we would not be doing anything to the railroad culvert as part of this project.

Councilman Fleming asked what would keep the erosion from continuing to happen at this site. The City Manager stated the City and NCDOT has been in contact with the railroad but there has been no response for help.

The Attorney stated that the City does not have responsibility for the railroad culvert; however, the storm drains around and under the nearby properties are the city responsibility.

Upon motion by Councilman Hawkins, seconded by Councilman Simmons, and carried unanimously, the Council adopted Resolution #18-18 Requesting and Approving Funding Participation from the North Carolina Department of Transportation in Storm Water Project on South Sterling Street.

VIII. Other Items from City Manager and City Council Not on the Agenda

a) Consideration of Appointments to Boards and Commissions – Human Relations Commission

The Human Relations Commission (HRC) is a committee established by the Mayor and City Council to address matters involving race, discrimination, human relations and to encourage and promote tolerance and goodwill to all people. By putting together this committee the Mayor and City Council get a closer look at ways of improving our city for all.

There are two vacancies on the Commission. Francisco Risso and Diana Register have expressed interest in serving on this commission. Their applications were given to Council.

This is a Mayoral appointment, so the Mayor appointed Francisco Risso and Diana Register for terms to expire on May 3, 2021.

IX. Adjournment – The meeting was adjourned at 6:17 p.m.

Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.