

**Minutes of the
Mineral Springs Town Council
Regular Meeting
April 13, 2023 – 7:30 p.m.**

The Town Council of the Town of Mineral Springs, North Carolina, met in Regular Session at the Mineral Springs Town Hall located at 3506 Potter Road S, Mineral Springs, North Carolina, at 7:30 p.m. on Thursday, April 13, 2023.

Present: Mayor Frederick Becker III, Mayor Pro Tem Jerry Countryman, Councilwoman Valerie Coffey, Councilwoman Janet Critz, Councilwoman Lundeen Cureton, Councilwoman Bettylyn Krafft, and Councilman Jim Muller.

Absent: None.

Staff Present: Town Clerk/Zoning Administrator Vicky Brooks, Attorney Bobby Griffin, and Administrative Assistant/Deputy Town Clerk Sharelle Quick.

Visitors: None.

1. Opening

With a quorum present at 7:32 p.m. on April 13, 2023, Mayor Becker called the meeting to order.

Councilwoman Cureton delivered the invocation.

Pledge of Allegiance.

2. Public Comments

None.

3. Consent Agenda – Action Item

Councilwoman Coffey motioned to approve the consent agenda containing the March 9, 2023 Regular Meeting Minutes, the February 2023 Union County Tax Report, and the February 2023 Finance Report and Councilwoman Krafft seconded. The motion passed unanimously. Ayes: Coffey, Countryman, Critz, Cureton, Krafft, and Muller. Nays: None.

4. Consideration of Accepting the Audit Report – Action Item

Kendra Gangal, CPA, PLLC gave her presentation via phone.

Ms. Gangal referred to the three exhibits out of the report that Mayor Becker distributed to the council in the agenda packet: statement of net position; balance sheet; and budget-to-actual. Ms. Gangal explained what she looks for on the audit are things like consistency and the processes the town has in place, accessibility of the files, organization of the files, and budget versus actual. The good thing Ms. Gangal has always noticed was that the town has a high collection rate on taxes.

Ms. Gangal noted there was one small difference and referred the council to page 15 of the report. There are two major funds this year, because of the special revenue fund (the grant money the town received). Normally, what happens with government is there might be different funds, depending on what they are doing, which is what happened to Mineral Springs with the grant money they received. There would be a normal general fund that handles the everyday operation, and the grant money was supposed to be collected and called a special revenue fund, which is listed as a major fund. The reason it was done that way is if there is any fund where either its assets, liabilities, revenues, or expenses are at least 10 percent of the total amount of those for all the funds, then you have to consider it a major fund. For instance, on page 15, you will see total assets in the

general fund of \$1,126,000 and the special revenue fund for the grant money was \$135,000, but in total they were \$1,261,000 and 10 percent of that is \$126,000. Since the grant money was more than \$126,000, it is broken out instead of lumping it all into one column. The council will probably be seeing that for the next year or two, until that money is spent. What this does it that it says to the reader, "this is kind of an important thing, it's more than just some small little fund we're dealing with here." This is why it is split out and called a major fund.

Ms. Gangal referred the council to page 38, which is basically the "Budget to Actual" and it really breaks out what the budget is, based on the budget at the end of the year after any amendments/adjustments that were made to it. What auditors are looking at is "where are you budget-wise versus your actual numbers?" Mineral Springs had a net change of profit of \$52,126, so the town does seem to do well at staying within their budget. The unrestricted inter-governmental monies the town gets (sales tax, utilities tax, natural gas) are estimates, so the town doesn't know exactly what they are going to get until that point in time. Overall, the town is within budget, and the numbers look good.

Ms. Gangal mentioned the Local Government Commission (LGC) (or the state) came up with performance indicators last year, which became part of the workbook that she has to submit when she submits the audit for approval. What they are trying to do is to make sure that no government falls behind or they can catch them before anything major happens. Ms. Gangal pointed out the one indicator she had for Mineral Springs, which is good, is that the town did not have any issues. The performance indicators were set up so that if a government does have something, it would put up a red flag and get caught quickly.

Ms. Gangal pointed out that the LGC typically looks at the fund balance as compared to the annual governmental expenditures and what percentage that is. For a municipality the size of Mineral Springs, the average fund balance available is 132 percent of the annual expenditures, but Mineral Springs is 325 percent. This is a strong indicator of how Mineral Springs has managed their money and been very smart in maintaining and keeping things going. The town has plenty of fund balance available to cover expenses for quite a few months if something major was to happen, like not getting the expected revenues or emergencies.

Ms. Gangal explained she looks at the town processes during the audit to make sure she can get to stuff, see that checks were written, they were written timely, they were written for the right amount, and written to the correct vendor. Ms. Gangal stated she normally does not have any problems getting the information she needs, and she does not have anything negative to say.

Mayor Becker asked the council if they had any questions for Ms. Gangal while she was on the line. The contact information for Ms. Gangal is on the audit report if the council wishes to contact her at a later time.

Councilwoman Critz motioned to accept the audit report and Councilwoman Cureton seconded. The motion passed unanimously. Ayes: Coffey, Countryman, Critz, Cureton, Krafft, and Muller. Nays: None.

5. FY2023-2024 Budget: Preliminary Departmental Appropriations – Action Item

Mayor Becker explained there was a "big ask" in the preliminary department appropriations to bring the salaries closer to the cost of living, and it was something the council will have to deliberate on. Mayor Becker explained what the differences were and noted that he tried to keep things close to last year, some will be greater, because things are just costing more. Mayor Becker mentioned that Ms. Gangal told him with the additional accounting that is dealing with the ARPA money to add \$500 more this year for the audit, so that will go from \$4,730 to \$5,230, as long as the council understands that is what will be in the budget he will be presenting.

In reference to the staff cost-of-living increase, Councilwoman Coffey asked if it was relative to what Mayor Becker was seeing in the market in comparison to other towns our size.

Mayor Becker responded that there wasn't good data on what current increases were, but he did look at the League of Municipalities salary study from a couple years ago, which was before some of the big increases. The finance officer (for example) based on full-time positions for towns between 2,500 and 5,000 was just about double what the proposed finance officer's salary is for Mineral Springs, which is a half-time job, so that is in line. In the case of the clerk and planning director, Mayor Becker believed if those were added together, it is one full-time job, because Ms. Brooks is the only full-time employee for the town. If you doubled Ms. Brooks planning director salary, the average planning director salary was higher than that, but if you doubled the clerk portion of the salary, the average clerk salaries were slightly lower. The balance with the proposed salaries are in line with what the league was reporting a year or two ago, so it is not over the top by any means.

Councilwoman Coffey mentioned that in the past, the town has always been a little lower than most compared to towns closest to Mineral Springs.

Mayor Becker responded that in many cases it has been, and it has been kept that way, but after a while, the town is falling behind and maybe wanted to catch up.

Councilwoman Coffey stated that she would recommend that it be approved.

Councilwoman Krafft mentioned as the council moves forward with the budgeting with not only the increase in salaries, but there will be additional salaries if the town hires a landscaper for 20 hours; the town needs to have a ballpark figure.

Mayor Becker commented he was not planning for that, because he did not think they would have somebody on board by July 1st. The town doesn't know when it will happen, it could be six months down the line.

Councilwoman Krafft commented she didn't think the town could wait six months to get a landscaper.

Mayor Becker mentioned that he worried about trying to do planting, because it is almost too late. The town might have to mulch the whole thing and not plant until the fall; we need advice from people who know.

Mayor Becker explained if the town were to do major capital, the council would do a capital project ordinance and if a major non-capital is done, that could be a special project ordinance, or it could be a budget amendment if the money runs out. If the council increases the salaries, the total increase for both employees is approximately \$10,000 across the board for all three positions. Mayor Becker noted that he could say with some confidence that the town is in a good position with the interest income, which is not going down anytime soon. As Ms. Gangal mentioned earlier, the town had an increase of \$52,000 in fund balance from last year to this year. The town is always coming up between \$50,000 and \$80,000 ahead, because of the way the budgeting operates. That is independent of any of the grant funding the town got last time. The town is going to be in a strong position if the interest income stays the same. If the council looks at the total, the operating costs are \$12,000 more than last year, which was \$337,980, by juggling things back and forth, cutting where the town hasn't been spending, it is \$12,000 greater than the total last year at a proposed \$350,278 (with Ms. Gangal's request). Mayor Becker stated he was not trying to justify staff asking for a lot of money, but he did not think that town had a financial squeeze of that nature. Mayor Becker believed that the projects were going to spend the fund balance, that is what the fund balance is there for, the town is going to appropriate money from the fund balance for these one-time projects. Having an ongoing staff is another matter, which is something the town might be better to contract somebody rather than getting a staff member. The town could just end the contract and say "hey, we can't afford it," it is easier than firing somebody.

Councilwoman Critz expressed concerns about this big jump all at once as far as the perspective from the community, because other corporations are not getting this kind of cost-of-living increase

to her knowledge. If the town is trying to come up to the current standard, they might want to split, do it differently, like an increase for the cost of living, plus an additional increase for coming up to current standard. Councilwoman Critz wondered if the town might want to explain it a little differently. Councilwoman Critz was not suggesting the council do less, she was suggesting they refrain, because no one is getting 11.8% cost of living; it is just not happening.

Councilwoman Coffey commented that it could be people have gotten larger raises over the years.

Councilwoman Critz suggested the council say that one is a raise to bring them up to the standard and then on top of that have a percentage of cost of living. The total would not be different, but the community would see it as the fact that the council is trying to... The wording needs to be reframed.

Councilwoman Krafft offered from the corporation standpoint, they do a position modification and they bring that position number up to the average standard, and then on top of that they will do a cost of living. Councilwoman Krafft believed that it had been an underpaid position at this point, the average of what most people in the area have had, so she didn't think that 11.8 is an unreasonable ask, but she did think the way that it is presented is very important. Councilwoman Krafft thought it was not just for today, but for next year, because the position pay has to be brought up to this level and for other years to come, you do that review, and then you do the cost of living on top of that, so there is a two-fold mechanism. The reason that is important is because at some point there might be a bonus kind of thing and the base pay is important, because you receive a one percent bonus. The base pay needs to be raised and the cost of living is on top of that.

Mayor Becker stated it was only going to be in the text of the budget, it will not be in the spreadsheet, and he will wordsmith that.

In reference to bonuses, it was clarified that the council swore them off years ago.

Councilwoman Krafft commented that the most important part is that the positions are paid and justified by data from many different places and then the cost of living goes on top of that. For example, if someone is making \$10, but the base pay should be \$15, you raise it to \$15 and you still get the cost of living on top of that. The League data is several years behind, but it gives the justification.

Mayor Becker clarified with the increase that is being asked for this year, it is still at or below the League average.

Councilman Countryman thought it would be hard for the community to understand why the salary for anybody would be commensurate with the salary for the same position for the City of Charlotte.

Councilwoman Krafft stated it had to be relative.

Councilman Countryman stated he thought the point that was being made was that you make a determination of what that position is worth that you would realize an eight percent increase and then in addition to that there is a three-point-eight percent increase. This is in an effort to make the position competitive.

Councilwoman Krafft offered that it would help people, like Ms. Brooks, who went to hire somebody, because she now has a set position salary/range and then you can add on the cost of living as is deemed necessary. The cost of living has skyrocketed over the last couple of years.

Councilman Countryman reflected from his corporate experience, positions had a range from base to max and salaries could be increased proportionately based on merit and performance within that range; you could never make more than what you were worth, but you could always make less based on performance and tenure.

Councilwoman Krafft commented that she honestly thought that 11.8 might not be enough, but she thought Mayor Becker would find that out when he looks at those very comparable.

Mayor Becker responded he would love to ask for even more, but he was settled on that, and he did not want to necessarily go for more by this process.

Councilman Countryman commented he thought the council would be hard pressed to justify that to the constituents within this community.

Councilwoman Critz stated regardless of what someone may say, or do, or like, or not like, Councilwoman Krafft is making a good point to where the council has two separate actions. One is to bring staff up to standard and the other is a cost of living. The council should set a precedent, so every two years, they reevaluate bringing the salary to standard in addition to a cost of living.

Mayor Becker commented that "less is more" in communication. Even though this is a public document, and the public can view it online, the calculation that he did does not have to be in the budget, it will simply be figures. Mayor Becker will "wordsmith" [these thoughts] for what goes into the next level of the budget.

The council may want to officially add a policy procedure for evaluations to be done every two years.

Mayor Becker mentioned that the problem with Mineral Springs it that there is such a small staff and also a small budget. Mineral Springs has the lowest budget in the county, except for Hemby Bridge.

Councilwoman Krafft thought that over the course of time there might be a time where the town will need to add some people.

Discussions continued about re-allocating positions, staff retirement in the next couple of years, forming base salaries, staff that is stretched, coming up with secession plans, training people, hours worked versus hours town hall is open, and researching comparable salaries.

Mayor Becker asked the council if the salary numbers were good and if the proposed appropriations looked okay.

Councilwoman Coffey motioned to move forward with the figure as presented and to analyze comparable salaries and Councilwoman Cureton seconded. The motion passed unanimously. Ayes: Coffey, Countryman, Critz, Cureton, Krafft, and Muller. Nays: None.

Mayor Becker reminded the council that the budget does not get adopted until sometime before June 30 at 11:59 p.m.

6. Consideration of Playground Mulch— Action Item

Mayor Becker explained this was an example of having a facility that has to meet safety standards and has to be inspected. The mulch was replaced three years ago, and it needs to be replaced again. Mayor Becker stated he finally got the bid of \$2,876.81 two days ago; the materials are almost the same, but the labor more than doubled and the freight just about doubled. Mayor Becker stated he did not think he would get a better price, and this is the company the town worked with before when the playground was installed; they were the best price out there. Mayor Becker recommended that the council approve the contract.

Councilwoman Coffey motioned to accept the mulch contract, purchase the mulch, and get it installed and Councilwoman Critz seconded. The motion passed unanimously. Ayes: Coffey, Countryman, Critz, Cureton, Krafft, and Muller. Nays: None.

Mayor Becker stated he would call Cunningham Recreation to get that set up, because it will take a month to get it done and it needs to be done before the movie night.

Councilwoman Critz asked to be reminded of the date of the movie night.

Mayor Becker responded it was June 30th.

7. Staff Updates

Ms. Brooks informed the council that there were “urban campers” at town hall for two weeks. Staff started noticing some strange things going on in the alcove out front [just outside the front windows on the porch]. The security camera can only pick up people walking over to the alcove. There were phone charger cords that had been plugged into the power, the door handle of the inside of a car door, the heater that was in our water meter cover [backflow preventor] was found right next to the alcove in the pine needles.

Mayor Becker commented that it didn't bother staff, but they were going beyond charging their phones.

The urban campers were using town hall to do whatever and then they were camping on the Harris Teeter property in the woods [in a tent]. The couple would hang out in the park during the day some. There was also another man hanging around, but it was not believed that he was with the couple.

Eventually the sheriff's department was called, and the couple was told that they were trespassing, and they needed to leave. The next day, the cord that they were using, which belonged to the town was found wrapped up nice and neat and put at the front door.

Mayor Becker mentioned the couple had moved out of the alcove into their tent and they had plugged the 150-foot cord into the rock building that they had going over to their tent at the edge of the woods.

Ms. Brooks explained that they thought the couple had followed instructions and left, but a few days later...

Mayor Becker explained he was showing the property to a gentleman who had been to town hall to visit Ms. Brooks; he wanted to see the boundaries of the Harris Teeter property. They walked past where the tent was. Mayor Becker had pointed out the well house and they discovered the couple had moved into the well house.

The sheriff's department was called again. With the consent of the Harris Teeter property manager, the couple was told again to leave and if they came back, they would be arrested for trespassing.

Meanwhile, the other man was in the park and in the alcove screaming at people on his phone.

It was noted the town does have a policy for town hall, but there could be some amendments made in the next month or two to get the downtown park hours (half hour before sunrise to half hour after sunset) posted at the park.

8. Other Business

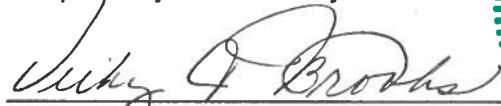
There was no other business.

9. Adjournment – Action Item

At 8:39 p.m. Councilwoman Coffey motioned to adjourn the meeting and Councilwoman Krafft seconded. The motion passed unanimously. Ayes: Coffey, Countryman, Critz, Cureton, Krafft, and Muller. Nays: None.

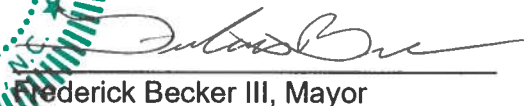
The next regular meeting will be on Thursday, May 11, 2023 at 7:30 p.m. at the Mineral Springs Town Hall.

Respectfully submitted by:



Vicky A. Brooks, CMC, NCCMC, Town Clerk

April 13, 2023



Frederick Becker III, Mayor

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