



The regular meeting of the Board of Aldermen was held on Tuesday, May 12, 2020 at 6:00 pm at the R.O. Huffman Center to be able to accommodate everyone with social distancing.

The following members of the Governing Body were present:

Mayor: Danny Ritchie  
Alderman: Terry Yount  
Alderman: Dennis Anthony  
Alderman: Matt Johnson  
Alderman: Rick Cline

Others present:

Town Manager: Sherri Bradshaw  
Town Clerk: Sherry Dula

Others absent:

Attorney: Rod Willcox

Mayor Ritchie opened the meeting and led the Pledge of Allegiance followed by a moment of silence.

**Approval of Minutes:** The Council voted unanimously to approve the March minutes by a motion from Alderman Anthony, seconded by Alderman Cline.

**Proclamation** – Mayor Ritchie would like for the town to adopt a proclamation in honor of those serving Drexel through the COVID-19 Pandemic. He would like for The News Herald to be notified also. Alderman Johnson suggested we sponsor a hot dog/hamburger supper for the employees after all restrictions are lifted. Mayor Ritchie said he was still planning to have a fish fry as he always does each year as long as he can get the fish. Alderman Cline stated he likes the idea. Alderman Johnson is in favor of recognizing our employees. Mayor Ritchie states that this can be done as soon as state opens up and the temperature is above 80. He would like the proclamation to be ready for the June meeting. Alderman Cline also stated that if we should see any employees out working, stop and say hello and let them know that you appreciate their hard work.

**Drexel Properties Update** – Manager Bradshaw reviewed the updates to the Drexel Properties progress. She stated that during the month of April we received notice of the ARC grant of \$300,000 being awarded for sewer infrastructure rehab on the demolished front portion of the property. She stated we also received notice from NC Department of Commerce that we were awarded the grant in the amount of \$647,000 for building the water/sewer lines to the back portion of the Drexel Properties. We also received notice that we were once again not included in the EPA Grant. She stated that we have not received the formal notification letter but as soon as we do then she will request a debriefing for an explanation. Mayor Ritchie still would like to schedule a meet and walk through the property with NCDENR. Manager Bradshaw stated that she already has that request set in motion for a meet and walk through. They have agreed to review the request and get back with us on their decision. Manager Bradshaw stated that the amount of debris that is on the property is one of the main reasons for not receiving the grant and also NCDENR does not like the idea of burying onsite due to problems they have had with other areas that have buried onsite. Alderman Johnson asked what the matching funds are for each grant received. Manager Bradshaw said the CDBG grant that we have already received but have not used yet would be a match of \$167,000 and we would be able to use those grant monies to pay for the matching funds on the ARC grant. And the \$647,000 grant is a \$50,000 match. Through Electricities Smart Sites grant the back portion of the property will be advertised all over the world and they will be building some type of sign soon advertising the property.

**COVID-19 Update** – Manager Bradshaw stated that currently the office remains closed to the public and drive-thru, drop box, phone and online can be accessed for payments. Zoning permits, zoning questions, utility deposits are being handled at the drive thru window or by appointment if the need is more extensive. If the state restrictions should lift when Phase II is implemented then we project to open back up by June 1<sup>st</sup>. All departments continue to work normal schedules. Manager Bradshaw stated the recreation department is the only department to suffer a major change. The center remains closed and no activities are planned for the near future.

**Proposed Budget Information** – Manager Bradshaw stated that she has been working on the budget but as mentioned in prior memos the state revenues are expected to be less in the coming year. The biggest revenue loss will be in sales tax distribution but also we will see a loss in Powell Bill funds as well as Franchise funds. No paving projects in the next couple years because Hollar and Woodman has depleted most of the Powell Bill funds and in the coming year those funds from state will be decreased. Due to the deferment of mortgage payments due to COVID-19 we may have less in property tax revenue in the beginning. The budget presentation will be given at the June 2<sup>nd</sup> meeting and we should be on schedule to have the public hearing and budget adoption at the June 23<sup>rd</sup> meeting which will serve as the July meeting. Some items will be budgeted with the idea that revenues will improve as the fiscal year progresses.

The following is the proposed budget information:

- Tax Rate – no change at 0.38 per 100
- Electric Rates to stay the same
- Water/Sewer Rates – Water will remain the same but since Town of Valdese has proposed a 4% increase to us then it will be proposed that we pass that on to the customer
- Solid Waste will remain the same but we may have to address the recycling bins behind center in the future
- Powell Bill – no repaving in the next 2 years. State Revenue for this fund will decrease
- Salaries – 1.5% pay increase to all employees but will not be implemented until January, 2021
- 15% increase in Health insurance
- Retirement increase because of shortfall in retirement funds
- No equipment purchases for Public Works just rehab of electric, water and sewer lines
- Police – Replace oldest vehicle. Walkie replacement but delayed until January
- Fire – \$20,000 budgeted in 2019/2020 Budget will be held over and added to proposed budget because they could not find a brush truck for that amount
- Recreation – Decreased because no activities at this time
- Upgrade of restrooms at R.O. Huffman Center – Still working on quote
- Football Helmets & Jerseys
- Property tax payments that are normally received early may be received later because of deferred mortgage payments
- Sales Tax Decrease
- Franchise and Powell Bill decrease
- Code enforcement contract services decrease – these savings should be used to create a line item for abatement of code enforcement issues
- Comprehensive Land Use Plan – our current plan is expiring and needs to be updated

Alderman Anthony asked about the purchase of the new police car and Manager Bradshaw stated that the Police Department has always been on a 2-year rotation on cars.

**Code Enforcement Issues** - Alderman Cline has some questions about the code enforcement abatement issues. He has concerns with one particular citizen that has been warned numerous times concerning clean up of his property and he feels more needs to be done. Manager Bradshaw stated  
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that the code enforcement officer told her last week that the homeowner on Bryant Road had done some cleaning up of the property. Mr. Cline asked if we could take legal action? At this time, some discussion was made on the abatement process and the cost to the town. It was asked if we could clean up the property and then place a tax lien on the property to recover our costs. Manager Bradshaw stated that we have never placed a tax lien on any properties and is not sure if we would receive reimbursement through this process or how difficult it would be. Alderman Johnson stated that the tax liens usually go in front of the 1<sup>st</sup> mortgage so then the mortgage company would pay the town and charge the amount back to the owner. The Town of Drexel would be 1<sup>st</sup> lien if we do an abatement and would receive our money from the mortgage company so they can remain the 1<sup>st</sup> lien on the property. Alderman Johnson asked that we check with attorney to make sure he is correct on this process.

Manager Bradshaw stated that we have several mobile homes in town that need to be removed but when she obtained the estimates it would cost the town approximately \$5,000 per mobile home to tear down and haul away. Town would not be able to afford that cost. Alderman Yount also had a code enforcement issue that needs to be addressed concerning 505 Park Avenue which has large rats running out from the house.

**2019/2020 Budget Amendment** – Manager Bradshaw state that a budget amendment was needed to account for the anticipated decreases in distributed revenues including sales tax and franchise tax and also an increase of property tax revenue due to the revaluation completed last year by the county. A decrease in revenue for activities at the RO Huffman Center due to COVID-19. ElectriCities’ distribution of excess operating capital is included. Another line item is for additional charges being absorbed for processing of online and phone payments which are normally paid by the customer but the town will be paying those for the months of April and May to encourage customers staying home to pay online instead of coming to the town hall. Other items on the amendment are redistributions within departments or funds. A motion was made by Alderman Cline, seconded by Alderman Yount to adopt the 2019-2020 Budget Amendment as proposed and the vote was unanimous. A copy of the budget amendment is attached as part of the minutes.

**COVID-19 Utility Payment Plan** – According to the Executive Order 124 set forth by the Governor, the utility customers are given the option to pay any past due amount accrued for April and May billing dates over a six month period beginning June 1<sup>st</sup>. The past due amount, plus the current month’s billing, would be due each month until the account becomes current by December 1<sup>st</sup>. Manager Bradshaw is requesting approval of the utility payment plan because the administration will need the support of all elected officials as we enforce the plan in the coming months. Customers must make an effort to contact us to set up this payment plan. They will be allowed to make 1/6 of the past due balance while still paying the current bill for 6 months. A motion was made by Alderman Anthony, seconded by Alderman Johnson to approve the utility payment plan and the vote was unanimous. A copy of the plan is attached as part of the minutes.

**NCMPA1 Waiver and Ordinance** – Manager Bradshaw explained that the NCMPA1 would like to start emailing monthly bills and annual budget information that is normally mailed in order to make it easier, faster and more efficient for the Power Agency. A motion was made by Alderman Johnson, seconded by Alderman Anthony to allow the NCMPA1 to email all documentation and billing in the future and the vote was unanimous. A copy of the waiver and ordinance will be attached as part of the minutes.

**Departmental Reports** – The Council reviewed the Financial and Tax reports for the months of March and April, 2020. A copy of each report is attached as part of the minutes.

**Drexel Police Report** – The Council reviewed the police reports for the months of April and May, 2020. A copy of each report is attached as part of the minutes.

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**Miscellaneous** –

- Next meeting will be June 2, 2020 at 6 pm
- Public Hearing for Budget will be June 23<sup>rd</sup>, 2020 at 6 pm and will serve as the July meeting
- Rural Water Association Workshop will be a 6-hour session on Infrastructure if anyone is interested in attending. They will set a date when they have enough people interested
- Mayor Richie stated that he supports the police department in maintaining their social distancing while policing and only stopping those individuals if they are in direct violation or involved in criminal activity.
- Drexel Alumni Mega Reunion postponed until 2021

**Adjournment** – A motion was made by Alderman Yount, seconded by Alderman Anthony to adjourn the regular meeting at 7:00 p.m. and the vote was unanimous.

TOWN CLERK \_\_\_\_\_

MAYOR \_\_\_\_\_

ALDERMAN \_\_\_\_\_

ALDERMAN \_\_\_\_\_

ALDERMAN \_\_\_\_\_

ALDERMAN \_\_\_\_\_