

**TOWN OF WEDDINGTON
SPECIAL TOWN COUNCIL MEETING
THURSDAY, JANUARY 8, 2015 - 5:00 P.M.
MINUTES**

The Town Council of the Town of Weddington, North Carolina, met in a Special Session at the Weddington Town Hall, 1924 Weddington Road, Weddington, NC 28104 on January 8, 2015, with Mayor Bill Deter presiding.

Present: Mayor Bill Deter, Mayor Pro Tem Don Titherington, Councilmembers Michael Smith, Pamela Hadley and Barbara Harrison and Town Administrator Amy McCollum

Absent: None

Visitors: John Houston, Andy Stallings, Peggy Stallings, Steven McLendon, Stephen D., Nancy Anderson, Maryln Gibbs, Kenneth Schott, Travis Manning, Jack Parks, Ken Evans, Judy Johnson, Craig Hazeltine, Daniel Barry, Werner Thomisser, Steven Williams, Harley S., Matthew Carow, Steve Carow, Kenny Schott II, Wiley Floyd, Gordon Daniels, Chris DeMaio, Mike Calzaretta and Will Sanburg.

Item No. 1. Open the Meeting. Mayor Bill Deter called the January 8, 2015 Special Town Council Meeting to order at 5:02 p.m. There was a quorum.

Item No. 2. Discuss the McGrath Fire Study. Mayor Deter went around the Council and asked if they had any comments or questions regarding the McGrath Fire Study.

Mayor Pro Tem Don Titherington – I appreciate the opportunity to have gone through the analysis ahead of time with the Mayor.

Councilmember Michael Smith - I understand the study. I think there were some good points in it. I am not for any avenue that would cause us to raise taxes.

Councilwoman Pamela Hadley - I am good.

Councilwoman Barbara Harrison - I am okay with the study. I felt that there might have been more options or a little more detail in some cases but I think that is something that we can work through.

The Mayor and Council asked that the fire study be put on the Town's website to allow citizens to read the report.

Mayor Deter - I took the financials as presented in the study and simplified them. I got with our Finance Officer to make sure I had the numbers right and then I reviewed them individually with each Council person. The intent was if everyone had an understanding of the financials then we could then discuss other things. Barbara raised a good point that there may be other options that were not presented here that we can talk about and discuss. I do not believe anyone on the Council wants to raise taxes if we can avoid that option. In my opinion right now I see two options presented: raising taxes or see if there is an interest in the fire departments consolidating. Before we go down the road of increasing taxes, let's go down the road of seeing if there is the potential to entertain consolidation. I would be happy to talk to the Chief and Board Chairman of Providence VFD and Wesley Chapel VFD. As we get into this it may require some discussion with Union County because this is so intermeshed. We have a contract with Providence and Wesley Chapel. Union County also has a contract with Wesley Chapel. We provide

funds to Providence through our fire service district and Union County also provides funds. It is a little more complex.

Councilwoman Hadley - How could consolidation not include raising taxes?

Mayor Deter - We don't know that it will not. I did review the worksheet with Providence VFD Chief Kenny Schott. I tried to lay out a series of options which is on the back page of what I gave to the Council. We can discuss how much that tax increase is depending on the different options we look at. I did not present the consolidation option as detailed because there are too many unknowns. There are assumptions that have to be addressed that depending on the assumption there is a huge opportunity for savings or there would be a minor opportunity for savings. That is part of the discussion process that we need to go through to get information in order for the Council to make a decision.

Councilwoman Hadley advised that the Mayor's explanation did not answer her question.

Mayor Deter - We currently pay roughly \$580,000 to Providence and \$135,000 to Wesley Chapel. This example assumed a 2.81 cents tax rate on the consolidated area. You would then pay this consolidated organization \$535,000 which is \$170,000 less than what you pay the two separately now. This new organization would also have to take on additional expenses. Are there opportunities to reduce costs? The question is how much costs can be reduced relative to income and that is part of this whole process we need to go through to see if it is viable.

Mayor Pro Tem Titherington - I think you hit it. When the Town made a decision to go to the Municipal Fire District, the Union County tax rate for fire was 2.2 cents so that was added on to our 3 cents. In 2012 when that decision was made that was the number and that was a static number that was probably based off of the 2011 budgeting process going into 2012. Weddington's base tax rate has not changed. It has been 3 cents. The 2.2 cents was the tax that was given to the County that is now being given to the Town of Weddington because Weddington is cutting the checks. Since then the County has actually increased that fire tax rate to 2.81 cents for folks in the Wesley Chapel District in Union County. They have been actually getting increases in the County to offset the costs. When you look at the chart, the combined tax rate for Waxhaw including their fire department is 37.86 cents per hundred, Stallings is 25.78 cents per hundred, Mineral Springs is 7.33 cents per hundred and Hemby Bridge is 5.26 cents. We are at 5.2 cents. When you look at the surrounding cities we have a very low tax rate but there have not been any adjustments on the fire side. If you bring two parties together is there duplication of expenses and if there is can that be eliminated? You may be able to cover that overall expense with the current tax base. If there isn't it is a question of do you continually draw into the general fund which is long term not sustainable for the Town or do you start covering the costs of fire coverage with the tax coverage? We have not even kept up with what Union County is covering. There was not ever a mechanism where I can follow in 2011-2012 that as Union County moves we move with it.

Councilwoman Harrison - We did increase Providence back in 2013. We did not keep it at 2.2 cents and we did not keep them flat. They asked for an increase and we gave it to them and we absorbed that through the 3 cents. My concern is that 3 cents is now not 3 cents for the Town but less than 3 cents. We are at 2.8 cents for all of our fire service.

Mayor Deter - We are actually at 3.74 cents.

Councilwoman Harrison - Where are we going with Stallings? When we took them on that part of the Town was only paying \$100.00 for fire service. We do not know what Union County is going to do. I have heard about a flat tax. Why did the consultants not bring up the fact that there is more happening on Providence Road in the Mecklenburg/Charlotte area that Providence is supporting? Is it something that

we go with Providence VFD and negotiate whether they should get more money because they are covering an area where there are going to be more calls? They also do a little area of unincorporated Union County. Is what Union County giving them enough? I think we need to have some serious discussions with the Commissioners. We need to have a discussion with Representative Craig Horn because we did go to the State and ask to do this. I don't think this is as easy as turning a switch if we want to change it or if we want to consolidate. I also am looking at economies of scale when it comes to manpower. I know it is hard to get volunteers for Providence and when you look at their budget what they have presented us it is a mean and lean budget because most of it is for manpower and not for equipment. They are not going to be able to sustain that budget so we cannot look at something with a budget that never goes up which is what we have done to make it simple. Then you put other assumptions in there and I appreciate that because I am looking at it and it is just not viable. We have a lot of unknowns but I would like to explore them all. I would like to talk with Charlotte to find out their intentions. They surely should have a 3 to 5 year strategic plan for their fire department. I am still getting phone calls about Union County's increase. My insurance went up \$200 because of the recent hail damage and people replacing their roofs. I have people concerned about the 2015 reassessment and the \$91,000,000 to the school board. It really makes it hard for me to say in any way, shape or form do I want to see taxes go up. We need to know the numbers.

Mayor Deter - I talked with Jeff Yates at Union County and he said that they are looking at the flat rate and they are not sure what they are going to do and that it would probably be a couple of years before anything would be done.

Mayor Pro Tem Titherington - The service that we are being provided by Stallings, Wesley Chapel and Providence is exceptional. This is not about service. Thank those guys every day for what they do. The real crux of the matter is we took over the 2.2 cents that Union County was collecting or the \$100 fire fee and we are spending 3.74 cents. That is the issue and challenge. The Town runs on basically 3 cents. It was 2.2 cents or \$100 per house and we are now spending 3.74 cents.

Mayor Deter - We kept the 5.2 cents and it was 3 cents to run the Town and 2.2 cents for fire collection on average. Now what is happening is we have not changed that 5.2 cents and we are running the Town on a lot less. I don't think we can tighten up any more that we have and in some instances we are drawing down the fund balance.

Councilwoman Harrison - We are going to be asked to pay for sidewalks with the future widening of Providence Road. Where are we going to get it if our fund balance keeps getting diminished? We can't keep thinking we are going to get extra money from developments.

Councilwoman Hadley - In 2008 when the revaluation was completed and our properties went sky high our tax rate was 3 cents. With that revaluation they could have dropped taxes to 1.99 cents to be revenue neutral. So from 2008 to present, we actually have had that extra percent in there. We are talking about what it takes to run the Town but to be revenue neutral in 2008 it was 1.99 cents. There has been that disparity for this many years that we have been able to put money in the bank and have the luxury of the general fund that we have today. The revaluation is coming up next year with the County.

Mayor Pro Tem Titherington - We don't know what we do not know. We do not have to make a decision today or the next 30 days. The Town is in a very good fiscal manner but it is not something that you want to wake up two to three years from now and say we should have acted. This to me is being fiscally responsible by managing the process so that as we look in the future that we have the right costs structures and revenue in line. The revaluation estimation that our Finance Officer has given us is that it will be flat and we will probably be back where we were as a Town in 2009. That is an assumption that we will not know until the revaluation is done. I think those are some of the unknowns that we have to

take a look at. One of the unknowns is Mecklenburg County. It is time that we sit with those guys and understand where they are going. We also need to sit down with the Union County Commissioners. I thought the budget process with Providence VFD was outstanding and we need to start looking at that 3 to 5 year strategic plan to get an idea of what the costs will be. We are setting aside \$100,000 every year for new equipment for Providence. Based off some of the McGrath data it appears that we could do \$80,000 a year. We need to find out is that a real number and over five years that would save us \$100,000? We need to scope out the unknown questions and engage people.

Mayor Deter – That is the intent. A decision is not going to be made out of one to two meetings. We have to make assumptions but we can consider all these options, talk to people and go through these things and find out the best guess. At the end of the day you crunch the numbers and it comes down to a financial decision and what is the best thing for the Town to do.

Mayor Pro Tem Titherington – I would like to see the worksheet updated that you presented at the retreat last year regarding average prices of homes in Weddington and modeling out the build out. It would be good to have some dialogue with the chiefs as you look at your equipment model to see if we have any duplication.

Mayor Deter – I think we have to back up further than that. These are independent companies that we are looking at. The first thing that we have to figure out is are Company A and Company B open to investigating a consolidation. If it is no then we look at another decision. I assume that Company A and B are going to be open to see what can come out of it. Let's start getting the information and meeting with the people that we need to meet with so the Council can digest the information and decide a plan of action. I will be happy to work with another council person to start meeting with some people to find out if there is any interest and determine the issues.

Councilwoman Harrison – I would like to see a joint meeting with the Council and the County Commissioners like we have had in the past.

Mayor Deter – One of the things that the County Commissioners did at their last meeting was to assign a Commissioner to a town. Our representative is Commissioner Richard Helms.

Councilwoman Harrison - I think that is good but I would like to get a feel about the Commission as a whole. They have a lot on their plate.

Mayor Pro Tem Titherington – Mayor, if you would be willing to meet with Commissioner Helms and we can circulate any questions that we have to you. I would like Leslie to refresh the worksheet from the retreat to make some assumptions on property values and to have her do some assumptions regarding the revaluation.

Councilwoman Harrison – I would like another councilperson to go with the Mayor on each of these items and to report back to the Council as a whole.

Mayor Deter – Councilwoman Harrison and I can meet with Union County. Councilwoman Hadley and I can meet with Wesley Chapel, Councilmember Smith and I with Providence and Councilwoman Harrison or Mayor Pro Tem Titherington and myself with Charlotte. I would like to have another working meeting before the retreat.

Council was advised since this meeting was noticed just for discussion that no official action could be taken.

Council created the following to-do list of items to be worked on: Meet with Union County, Mecklenburg, Providence VFD and Wesley Chapel VFD and update necessary spreadsheets.

Item 3. Adjournment. Councilwoman Hadley moved to adjourn the January 8, 2015 Special Town Council Meeting. All were in favor, with votes recorded as follows:

AYES: Councilmembers Harrison, Hadley, Smith and Mayor Pro Tem Titherington

NAYS: None

The meeting adjourned at 5:46 p.m.

Bill Deter, Mayor

Amy S. McCollum, Town Clerk