

TOWN OF MCADENVILLE MINUTES MARCH 11, 2025

The McAdenville Town Council met in regular session on Tuesday, March 11, 2025, at 6:00 PM in the Council Chambers of Town Hall located at 163 Main Street, McAdenville N.C.

PRESENT:

Mayor Jim Robinette; Mayor Pro-Tem Reid Washam, Council Members: Carrie Bailey, Greg Richardson, and Joe Rankin. Also in attendance: Attorney Chris Whelchel, Police Captain Debbold, and Town Administrator/Clerk Lesley Dellinger. Council Member Jay McCosh was absent.

CALL TO ORDER:

Mayor Robinette called the meeting to order at 6:00 PM and led in the Pledge of Allegiance. Council Member Carrie Bailey opened the meeting with prayer.

ADJUSTMENT & APPROVAL OF AGENDA:

The March Agenda was approved by motion of Carrie Bailey, second by Joe Rankin and unanimous vote with the following changes: A Closed Session was added as Item #11 to consult with the Attorney, and Item #6, ARP Grant Projects, was removed because the scheduled presenter was unable to attend.

CONSENT AGENDA:

The items of the Consent Agenda were unanimously approved by motion of Greg Richardson, second by Mayor Pro-Tem Washam and unanimous vote:

- a) **Approval of Minutes:** Council approved the regular meeting of February 11, 2025, and Special Meeting/Budget Work Session of February 25, 2025.
- b) **Amend Meeting Schedule:** A special meeting to work on the fiscal year 2025-26 budget was set for Wednesday, March 19, 2025, from noon to 1:30 PM at Town Hall. This will be a non-voting work session.
- c) **Budget Amendment:** Council approved Ordinance No. 2025-001 amending the General Fund budget for Fiscal Year 2024-2025. The changes will result in No Change to the net appropriations for the General Fund with a total budget of \$1,312,700.
- d) **CGL Hazard Mitigation Plan:** Council approved Resolution No 2025-002 adopting the Cleveland Gaston Lincoln Regional Hazard Mitigation Plan.

GASTON 250 PRESENTATION:

Angela Cunningham, Gaston County Communications, gave a presentation on the America 250 Project. Federal grant funding was available to local governments to raise awareness, educate and

celebrate the 250th anniversary of the signing of the Declaration of Independence. Gaston County has formed a 250 Committee with 40+ members to oversee marketing, research, event planning, education & outreach in our area. A 250 Gaston page has been added to the County website at gastongov.com featuring links to events, local history, podcasts, and a video series. Ms. Cunningham thanked the Council for the opportunity to raise awareness for the America 250 Project and distributed promotional materials with the recently approved Gaston 250 branding.

NCLM PRESENTATION:

Julie Scherer gave a presentation on behalf of the NC League of Municipalities to recognize and celebrate the Town as a successful participant in the Municipal Accounting services Program. The MAS program is supported by American Rescue Plan Act funding and is designed to promote better financial accountability and reliability for smaller governments through training, software tools, and accounting assistance to ensure year-end audit readiness. McAdenville completed the software conversion to BMS in May of 2024 establishing a uniform chart of accounts, budget encumbrance system, positive pay files to prevent check fraud, and the ability to accept credit card payments at Town Hall and online. The MAS program is funded through December of 2026 and will provide financial management training opportunities, mentoring of Town staff on accounting related matters, and quarterly oversight of financial records. Julie Scherer thanked the Town Council for their support through the conversion program. Lesley Dellinger and Kim Carver were recognized for their commitment and determination in making the MAS program successful for McAdenville. Mayor Pro-Tem Washam asked if the software provider, BMS, planned to host a user group conference in North Carolina since 25+ small towns had transitioned to their platform. Diane Seaford, Director of the NC League MAS Program, responded that the League was working with BMS on a local training conference to be held in October of this year which would provide great networking opportunities for small towns using the software.

POLICE DEPARTMENT REPORT:

Captain Debbold attended the meeting as the CPD representative. He distributed the February CPD report to the board and offered to answer questions. No additional comments were presented for discussion.

STAFF REPORT:

Town Administrator, Lesley Dellinger, reported on the following:

New Business

- a) Personnel Policy: The last revision to the Town's personnel policy was in February 2012. Town Staff partnered with the MAPS group for a comprehensive review and update of the Town's personnel policy to ensure that the policy aligns with modern human resource

management practices, current laws and regulations, as well as standard practices among municipalities across the state. The new policy is being presented for Council's review. A memo from Erika Phillips with the Maps Groups is included to help Council navigate some of the key changes. Staff recommended a policy effective date of 7/1/2025 so that the accruals of sick and vacation time align with the new budget year. Questions and/or revision suggestions by the board should be directed to Lesley Dellinger. Board consideration will be requested at the regular meeting on May 13, 2025.

- b) **Surplus Property:** The Administrator is authorized to declare surplus any personal property valued at less than thirty thousand dollars, to set its fair market value and to convey title for the property for the Town. Staff additions in 2024 required a clean out of unused items to create workable office space. A list of the items being declared surplus was provided to Council and will be disposed of in compliance with town policy and G.S. 160A-266.
- c) **RFP for Audit Services:** Proposal responses for selection of an independent auditor for the Town were received from Butler & Stowe CPAs and Strickland Hardee PLLC. The staff's decision to solicit bids was made to better align with the best practices recommended by the LCG. Proposals are currently under review and staff's recommendation for a 3-year contract beginning FY2026 will be presented at the regular meeting on May 13, 2025.

Water & Sewer

- a) **Municipal Rate Increase from TRU:** The annual TRU Advisory meeting was held on 3/4/2025 for all municipal partners. It was announced that a 5% rate increase has been approved for municipal wholesale accounts beginning 7/1/2025 (FY2026). It is anticipated that 5% increases will be recommended in FY2027 & FY2028 to cover City of Gastonia CIP projects. TRU staff cited the explosion of industrial, commercial, and residential growth in Gaston County and the expansion of infrastructure needed to service this growth as a contributing factor for rate increases. The wholesale rate increase will directly impact the McAdenville water/sewer rates for FY2026. The current rate plan adopted by the Town Council recommends maintaining a minimum 2% increase over all wholesale increases to maintain current levels of profitability within the utility fund.
- b) **Update on Hallie Bently PRV Project:** The first bid advertisement on January 17th only generated one construction bid. General Statutes require a minimum of three bids for opening. The PRV Project was rebid February 13th. Three bids were received with the rebid. The low bid was received from Willis Contracting but was disqualified due to being incomplete. The second lowest bid was from NEP Contracting for \$821,396.00 with Performance and Payment Bonds. This bid is in line with project estimates prepared by Clayton Engineering. Staff requested that Clayton Engineering check references on the low bidder and request a schedule of values since the bid was presented in a lump sum format. The PRV project was redesigned in 2022 at the request of Belmont Land to support future

development in the River District. A Public/Private partnership will be sought to lower the overall project cost for the Town.

Finance Department

Financial Performance Indicator of Concern from LGC: The FY2024 Audit generated an FPIC response for a loss in Operating Net Income in the Water/Sewer Enterprise Fund.

Excerpt from McAdenville FY2024 audited financial statement:

Water & Sewer Revenue	\$580,644	
Less Water & Sewer Expenses	\$622,866	(actual per explanation \$522,866)
Add Depreciation expense	\$45,215	
Less Debt payments	\$ 0	
Less Interest expense	\$ 4,168	
Result	(\$1,175)	(actual per explanation \$98,825)

LGC Note: Operating Net Income (Loss) excluding depreciation, including debt service principal and interest. (Minimum threshold should be Greater than zero per LGC)

Staff reported that during the year ended June 30, 2024, an adjusting journal entry was done to clear out a non-recurring item from an old account receivable balance in the amount of \$100,000. This non-recurring item originated from monies due from Gaston County for the regional South Fork Sewer Project. The amount that was to be received from Gaston County was \$500,000 payable to the Town in the amount of \$100,000/year for five (5) years. Staff confirmed that the full amount of \$500,000 was received from Gaston County and the entry error was in the Due From /Due To accounts set up for the South Fork Sewer Project. Since the Town's accounting software inaccurately showed \$100,000 outstanding from Gaston County, Town Staff requested that a year-end adjusting entry be considered to clean this item up so that it would not continue to be on the books. An entry was approved by the Auditor to clear out the Due from Gaston County line item in the amount of \$100,000 and the offset was to Miscellaneous expense. This entry is the only reason that the Water/Sewer Enterprise Fund is showing a loss in Operating Net Income.

Lesley Dellinger has prepared an FPIC response letter explaining the reason for the loss in Operating Net Income in the Water/Sewer Fund for FY2024 and request Town Council's signatures on the letter to confirm notification and understanding of the FPIC issuance from the NC Local Government Commission.

OPPORTUNITY FOR PUBLIC COMMENT:

Mike Crockett, 700 Lakeview Drive, addressed the Council regarding the staining on Lakeview Drive that resulted from a hydraulic line break on a Harrison Sanitation truck during curbside trash collection. He stated that you can still see an oily residue on the street when it rains, therefore he

does not feel that the remediation efforts were sufficient. He sees cracks in the road that may be related to the spill and feels Harrison Sanitation should be held accountable. Overall, he feels the Town has not done enough to fix the problem, and that additional action is needed.

Trisha Petersen, 604 Lakeview Drive stated that she was terribly upset with the cleanup of the fluid spill on Lakeview Drive. She worried that the chemical residue still present on the roadway is dangerous to kids and pets and asked if the pond had been checked to ensure the wildlife was okay. She added that the stain on the road could affect property values. Overall, she felt the cleanup was not satisfactory and the Town Council should do something to fix it.

Betty Kelly, 505 Lakeview Drive, stated that the cleanup of the fluid spill was done poorly, and the Town should require Harrison Sanitation to fix the street due to the negative impact it has on all the property owners on Lakeview Drive. She was also disappointed that the Town did nothing to inform the residents about the type of fluid spilled, if it was dangerous, and how it would be addressed.

Harold Guice, 507 Lakeview Drive, stated that the hydraulic spill and staining on Lakeview Drive was not a McAdenville problem that it was an insurance claim. He felt the Town's legal representation should persuade Harrison Sanitation's insurance carrier to have Lakeview resurfaced.

COUNCIL GENERAL DISCUSSION:

Carrie Bailey thanked the residents who attended the meeting and voiced their concerns to the Town Council. She added that this is the best way to communicate with the entire Board and that she is also available if a resident wants to contact her directly with future concerns.

Mayor Pro-Tem Washam commented that approximately forty-five gallons of hydraulic fluid was spilled by the Harrison Sanitation truck and that the spill was spread over ½ mile. The remediation was done by a licensed contractor who met the Department of Environmental Quality requirements for cleanup and reporting. He did agree that the residual staining was significant.

Greg Richardson agreed that the aesthetics of the roadway stain are bad and that he recommends the Council investigate an additional course of action. He then provided information on a Carolina Thread Trail (CTT) meeting he attended on Monday, March 10th. CTT representatives are working on an initiative to add a corridor generally following the South Fork River as a state designated trail, which would include the River Link Trail currently under design by McAdenville and Cramerton. A House Bill is being introduced, and if passed will open up \$30 million in funding to the designated corridor. A Resolution in support of the project will be requested in the future, but no money requirement.

CLOSED SESSION:

A motion to enter Closed Session to consult with the Town Attorney as allowed under GS 143-318- 11(a)(3) was made by Mayor Pro-Tem Washam, second by Greg Richardson with unanimous vote at 7:02 PM.

Upon returning from Closed Session at 7:31 PM, Mayor Robinette reported that the Board consulted with the attorney and received guidance on mediation of a claim.

ADJOURN:

There being no further business to come before the board, the meeting adjourned at 7:32 PM upon motion of Joe Rankin, second by Carrie Bailey and unanimous vote.

Jim Robinette, Mayor

Lesley Dellinger, Town Clerk