

Workshop

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Commission can come into the city and take over the reins of government.

"We could get angry," he said. "Are you telling us in a nice way that if we were a business we would be bankrupt?" asked Councilman Dean Spears.

"Yes," said Barfield. Councilman Rick Murphrey said the city must cut expenses to meet the requirements of the general fund. "We need to leave money in each fund to reduce the transfers," he said.

But Mayor Scott Neisler said the city would always be heavily dependent on transfers and said that the city had operated on its fund balance due to the water fund shortfall.

Holloman suggested the city cut back on hours worked by employees, cut back on services, including garbage collection to once a week, and said the state's records go back several years for non-compliance by the city in meeting the state's requirements on fund balances.

"Why did you wait until now to tell us?" asked Clavon Kelly.

"But don't forget Kings Mountain citizens are already paying a 18 cent school tax," said Kelly.

The Mayor interrupted by saying that visitors were not permitted to ask questions during the workshop but Holloman reiterated that the state had written city officials over the last three years and appropriate action was indicated.

"It's really no secret that you spend more than you take in but the bottom line is that we are concerned about the debt service," said Barfield.

"We can't step in as long as you're able to pay the debt service buy we are ready to give advice."

"It's a tough pill to swallow," said Barfield.

Barfield tracked the city's records of fund transfers and said it went from 20 percent of the general fund revenue in 1986 to a whopping 64 percent, a huge jump, in 1988-89 and since 1992 has been at about 48 percent. The average transfers are 25 percent of the general fund revenue coming from the electric fund or others, he said.

Barfield said that Standard & Poor's, the National Bond Rating

Agency, insists that cities must set a policy on making transfers from utility funds to general funds.

"Make a policy in budgeting to say how much to rely on utility funds for support," said Barfield.

"Make that decision up front rather than dip into the till as you need the cash."

Councilman Ralph Grindstaff asked Auditor Darrell Keller if the current utility bills had been paid by the city. He said that payment for gas and electrical bills were due April 15 and they had not been paid. Keller said that the city was short \$316,000 of meeting its current obligations.

Keller told the board that the \$9 million bonds floated by the city did not pay for \$1.4 million in capital outlay for water and sewer improvements. He said that money came from reserve funds from 1990-93. He said the bonds did not pay for the 1990-91 Bridges Drive drainage improvements of \$265,000. He said \$1.6 million in expenditures came from reserve funds and not from bonds. Keller also blamed the present status of the cash flow on a sour economy, with water consumption down, and lost revenues in the natural gas sys-

tem due to price.

"This has been building up for years and is an accumulation of things," he said.

He said the city had assets on hand of \$305,706 in March but owed \$621,410.

"This is serious business but the city can work out of it," said Keller, who said that several lease payment agreements would be paid off and could account for more money next year in the reserve funds.

"I shudder to think what would have happened to Kings Mountain if the tornado had here instead of Boiling Springs," he said.

He said the working capital in the utility fund is a negative

\$600,000.

Keller suggested that the city increase rates to water and sewer customers, increase the tax rate, freeze all capital outlay except in emergency situations, continue to freeze hiring, and freeze lease purchases for at least two years.

During a break of the lengthy meeting, Joe Smith, local businessman, said he was shocked to hear Council blame the financial woes on past administrations.

Parsons said that no one is being blamed.

"Our former city manager and I disagreed on the budget process because he perceived a budget from a manager's position and I am thinking from a finance office position," she said.

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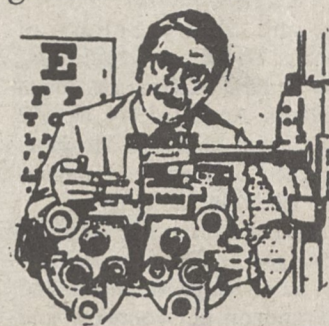
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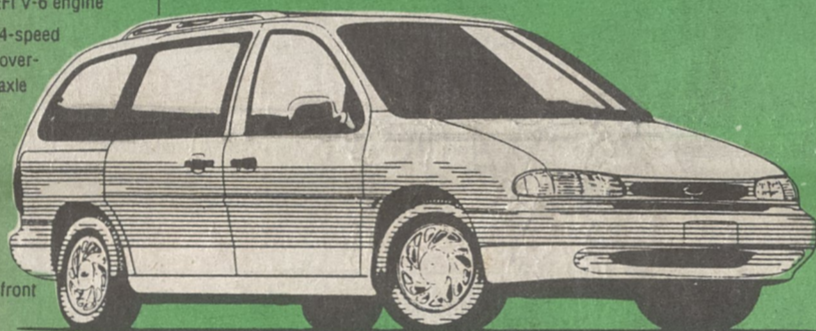
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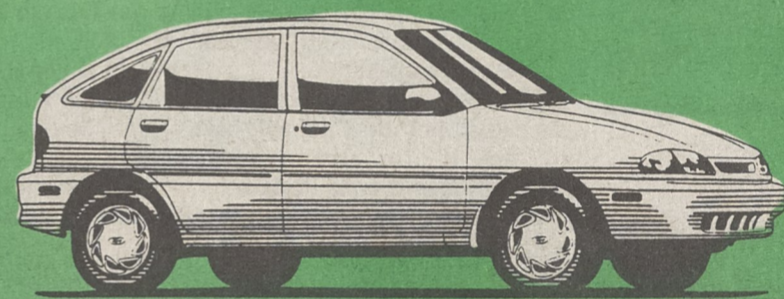
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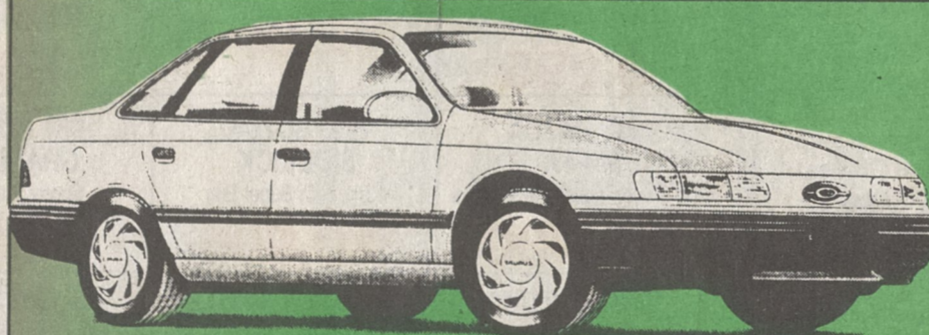


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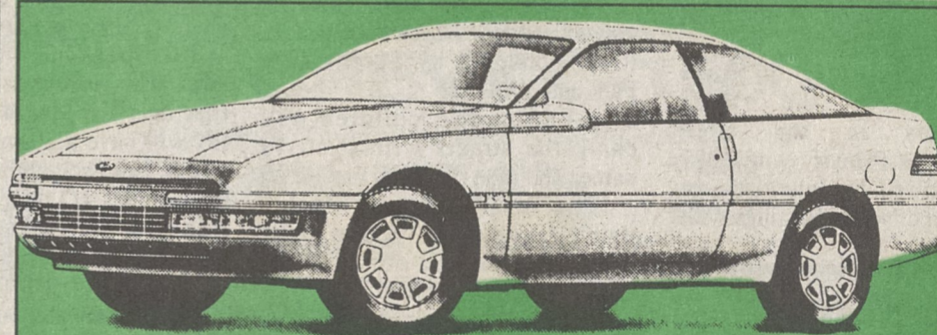
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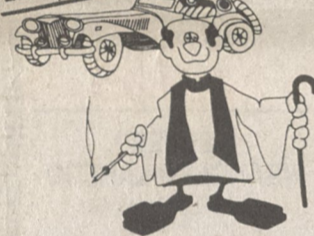
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Actually, this church did acquire a bit of snob appeal during the early days of our nation. English colonists introduced their own Episcopal version of The Church of England. It was only natural that many of these "first comers" became the wealthy landowners, the merchants, the gentry of this young nation. George Washington, Alexander Hamilton and - indeed - three-fourths of the signators to the U. S. Constitution were Episcopalians.

But today, the Episcopal Church represents an exceptionally-broad cross section of the nation: people of every vocation, social status, race and political persuasion gathered under one roof.

You see, Episcopalians believe strongly that the church is a proper meeting ground for men's differences. Christianity, they say, represents the world's greatest hope for reconciling the divisions between one man and another. You don't have to agree with your fellow man; you only have to live with him.

Your nearest Episcopal minister may have some very good thoughts for you on that ticklish subject. There's no obligation on your part if you care to pay him a visit.

Trinity Episcopal Church
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Sunday Services
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