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## Kings Mountain Herald

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# KM budget woes go back to '90

By GARY STEWART  
 Editor of the Herald

Copies of letters and city budgets acquired by the Herald this week show that the City of Kings Mountain's budget woes trace back to 1990 and that members of City Council were aware of it.

The current financial crisis apparently began in the 1990-91 fiscal year when budget expenditures exceeded actual revenue by \$1.3 million. City Auditor Darrell Keller and Interim City Manager Maxine Parsons said reserve funds had to be used to balance that budget and the city has not yet recovered. Keller said it is

"crucial" that the city take its budget woes seriously and build a fund balance equal to 8% (approximately \$400,000) of the general fund budget in case of emergencies.

Numerous letters from officials from the Local Government Commission, which is a division of the State Treasurer's Office, have addressed the matter, and on several occasions city officials have responded to the LGC giving assurance that the matter would be taken care of.

■ On December 28, 1990 Lee Carter, Director of

the Fiscal Management Section of the Local Government Commission, wrote a letter to then-Mayor Kyle Smith with carbon copies to City Manager George Wood, City Clerk Jeff Rosencrans and auditor Darrell Keller, stating that he had reviewed the audit for the fiscal year ended June 30, 1990 and suggested several actions needed to improve the city's credit ratings.

The letter noted that the amount of fund balance available for appropriation in the General Fund was 5.21% of total expenditures, and the statewide average for comparably-sized units with electric funds was

24.56%. The letter further stated that had \$2,250,000 not been transferred from the electric and gas funds the general fund would have had a negative fund balance.

■ On December 20, 1991, Carter wrote Mayor Scott Neisler and sent carbon copies to Wood, Rosencrans, Keller and members of City Council, including Phillip Hager, Jim Guyton, Elvin Greene, Jerry White, Fred Finger and Alvin Moretz, stating that as of June 30, 1991 the percentage of available fund balance was

See Budget, 3-A

## Committee sends budgets back to Council

By GARY STEWART  
 Editor of the Herald

The Ad Hoc Committee appointed by Mayor Scott Neisler to compare the proposed 1994-95 City budgets of former City Manager George Wood and Interim City Manager Maxine Parsons met for two hours Friday afternoon at City Hall and then decided it could not come to a decision.

Chairman Joe Smith said he would notify City Council that the committee declared that Wood's and Parsons' budgets were determined by two different sets of figures and that the committee couldn't determine which was more accurate. Wood's projections were based on the current year's budget and Parsons' was based on the current year's budget as well as historical data.

The committee also agreed to

*"To fully address the budget we have to look at things that have happened in the past."*

- Maxine Parsons

ask City Council to supply it with copies of the city's October audit of the 1993-94 budget. "We'll look at that if they want us to," Smith said.

On numerous occasions, the chairman called down Parsons when she tried to explain how the city arrived at its financial crisis. Smith noted that the only purpose of the committee was to look at Parsons' proposed budget and the information supplied by Wood in a 13-page letter to City Council last week. Parsons insisted that background information was crucial to

explaining how she arrived at her figures. Parsons' budget calls for a four-cent property tax increase and continued spending cuts while Wood's memo indicated the tax hike is not necessary and that the city would have a \$300,000 fund balance at the end of the fiscal year.

"To fully address the budget we have to look at things that have happened in the past," Parsons told the committee. She later told the

See Committee, 2-A

## Auditor: When LGC talks, pay attention

By GARY STEWART  
 Editor of the Herald

City Auditor Darrell Keller says there has been "so much confusion" about the city's financial situation that "people don't know what to think or who to believe."

But Keller assured the Herald this week that the city is in a serious financial crunch.

The Local Government Commission, which is a division of the Office of State Treasurer Harlan Boyles, has been pressing the City to correct inadequacies in its budgets since 1990-91. The Herald acquired copies of letters from the LGC to city officials dating back as far as 1990 addressing the problems, and in one instance the entire City Council responded to one of the letters and addressed ways it would correct its financial situation.

"I don't understand how anyone can deny we have a financial problem," Keller said.

Keller issued the following statement:

"The Local Government Commission has existed since 1931. They monitor all units of local governments in the state. When they say you have a problem, you need to pay attention. This is not the time to deny there is a problem.

"There has been a total breakdown in communication. In the June 16th Gaston Gazette, there is a quote 'all the bills are paid - they have been covered.' People are relying on leaks from clerks at City Hall rather than asking Mrs. Parsons, who has the total picture, for the facts. On Thursday, June 16th, witnessed by myself and another City employee, Mrs. Parsons received a phone call from Transco

Gas Company. There is a bill for April purchases for \$184,109. Transco was requesting payment since this bill was now over 30 days past due. Mrs. Parsons told them she would wire them \$60,000 of this amount on Monday, June 20th, if the funds were available. There is also \$153,391 due Hath Associates for accumulated losses on gas purchasing contracts over the past eleven months.

"The real danger is in looking at only today and saying things are fine. On September 1st, the City has a bond payment of \$261,076.25; on October 1st, \$5,700.99; on March 1, 1995, \$586,076.25 and on April 18, 1995, \$155,700.00. This is a large amount of money that must be accumulated. This takes planning to

See Auditor, 2-A

## Bridges pays late tax bill

By Elizabeth Stewart  
 of The Herald Staff

Councilwoman Norma Bridges' face is red.

After hearing recently at a City Council meeting about the necessity of paying back taxes to brighten the city's budget picture, she received a notice from the Cleveland County Tax Office that she is in arrears on her and her husband Bobby's personal taxes to the tune of \$3,526.81.

Bridges Textiles, owned by the couple, also owes \$219.52.

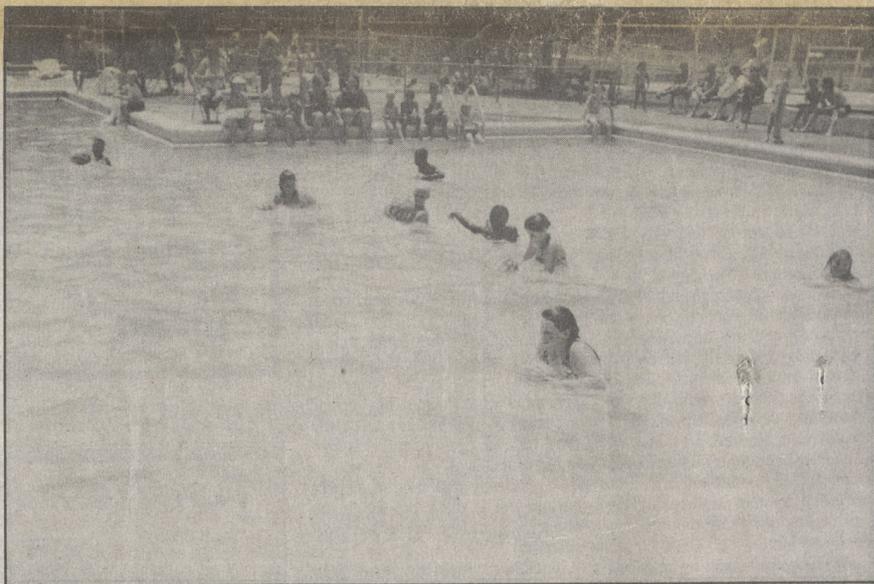
The city taxes are for the period 1992 and 1993.

Brenda Gardner of the county tax office said that the couple had remitted to the county in May a check for city taxes for \$2,000.

Mrs. Bridges said she was unaware the taxes are past due. She said she called the tax office this week and informed them that her check for payment would be in the mail.

In response to The Herald's query Wednesday, Bridges said "This is a private matter that I was taking care of but since it could not be a private matter this has been taken care of this morning."

Bridges offered to show The Herald a copy of the receipt upon her return from Shelby.



Kings Mountain swimming pool will be the place to be during Independence Day celebration July 4

## Fourth of July celebration planned

Kings Mountain's annual Fourth of July celebration will be held Monday, July 4 beginning at 11 a.m. at the Parks and Recreation Department.

Numerous activities are scheduled throughout the day. The event will culminate with a fireworks display at 10 p.m. Department officials said the fireworks display will

be scaled down this year due to budget restrictions.

Activities include:  
 11 a.m. - Horseshoe tournament. Singles and doubles competition. Entry fee is \$2. Trophies will be awarded to winners.  
 12 noon - Pool events, including innertube relays, swimming relays, big splash and little splash.

Ribbons will be awarded to winners.

3 p.m.-5 p.m. - Music provided by Hal Brothers, DJ, of Cherryville.

6-10 p.m. - Music provided by Hal Brothers.

10 p.m. - Fireworks display in

See Fourth, 10-A

## Other cities amazed at KM's benefits

By ELIZABETH STEWART  
 of the Herald Staff

While salaries of some city department heads compare favorably and some are higher with cities of similar population, the fringe benefits of the 150 full-time City of Kings Mountain employees are at the top of eight area municipalities surveyed by The Herald this week.

All eight city managers and finance officers contacted by The Herald exclaimed about the difference in insurance and retirement benefits in Kings Mountain, compared even with two much larger cities which like Kings Mountain operate four utilities.

Except for Kings Mountain, only Belmont pays a percentage of

dependent insurance coverage. All but one, Lexington, pays 100 percent of employee health coverage, and none but Kings Mountain permit their employees to retire after 20 years with full health insurance benefits.

Seven of the eight operate on a 30-year retirement plan.

Two of the cities with higher population - Lexington and Monroe - operate water, sewer, gas and electric departments like Kings Mountain and only two other cities in Kings Mountain's population range have an engineer on staff.

The city of Hendersonville, with a budget of \$14.9 million and a city staff of 230 employees, em-

See Benefits, 3-A

## Kings Mountain People

### Church a 'mission' for Rev. Huffstetler



REV. W. L. HUFFSTETLER

Rev. W. Leonard Huffstetler says his faith in God led him to take the pastorate of Penley's Chapel Church nearly 40 years ago and undertake a mission to keep the church open.

Huffstetler, who will celebrate his 85th birthday Friday, was out of the pulpit recently for six weeks due to a hip replacement and will return to the hospital July 8 for a knee replacement.

"My people keep telling me to take it easy but I can't slow down when I'm doing The Lord's work," said the popular preacher who worked without a salary for many years to help build up a fund to ensure the church would never be

without a minister.

Huffstetler remembers that day in 1946 when he accepted Jesus Christ in his car as he drove up Gamble Hill from his job at Ferguson Gear Company.

"I had no formal education and only completed the fourth grade at the Little Red School House on Dilling Mill hill but I told God I was ready," said Huffstetler.

Huffstetler said he immediately started reading and studying the Good Book and teaching a Sunday School Class at Grace United Methodist Church.

In July 1955 he was asked by the Gaston Conference of the Methodist Church to reopen

Penley's, first built in 1906 as a mission of Grace Methodist Church and named for the pastor, Rev. J. L. Penley.

"There were 18 people at church when I delivered my first sermon on September 18 that year and eight of them are still active members," said Huffstetler.

Huffstetler said Penley's Chapel began to grow in number and reached the point that a larger church was needed. Land was bought and the original little church on Piedmont Avenue was moved to the rear of the property, later to be converted into a fellowship hall. A new sanctuary was

See Huffstetler, 3-A