

COUNCIL

From Page 1A

hike. "I don't know what the problem is," said White. He said that the full board approved the hikes at recent budget work sessions.

The dispute stems from a cash flow problem caused by depleted money reserves that has left the city unable to pay its bills on time.

Interim City Manager Maxine Parsons said the tax hike, water rate increase and staff cutbacks in the budget would rebuild the reserves \$615,423 figured in the budget.

As the Council debate went on, the mayor contended that the budget figures had changed three times since the budget was first proposed June 1 and charged that the budget on the table had been in error. He denied the city is in financial crisis.

"I wish we had a good current picture where we are based on what we're doing this year. I'd be the first to tell you if we were in bad financial shape," he said. He blamed the shortfall on the recession.

"Don't put the burden on the backs of the people. Time will prove me out. We may have a slew of money next year."

Councilman Phil Hager also disagreed with the tax increase, suggesting instead a one cent sales tax.

Murphy, Grindstaff and Dean Spears supported the raises, saying the money is needed to pay for state mandated city projects and to keep from cutting services to citizens.

"We have a negative cash flow problem, we've cut expenses and eliminated positions but revenue must be generated based on the true financial picture of the city," said Murphy.

"The citizens understand."

Hager questioned paying city auditor Darrell Keller \$1600 to work recently with the mayoral appointed ad hoc committee on the budget but Parsons said the money was warranted when the board hired the auditor.

"Did anyone else on that committee get paid?" asked Hager. "They were supposed to be volunteers."

Murphy said Keller is a paid professional and worked more than 48 hours to give the committee the true picture of the city's finances.

Hager said the committee was to compare two budgets--Parsons' and suggestions made in a letter by former city manager George Wood.

"We took politics out and made the budget workable," said Spears. "The ad hoc committee should not have been appointed in the first place."

Responding to a number of questions by Councilman Jim Guyton, Keller said the board was confused by the figures and budget terminology and all they needed was a cash flow statement.

"Transfers are a paper entry," he said.

"The bottom line is that the city is spending more money than it takes in."

Guyton suggested the board tighten spending and not fund any capital projects until the money is in the bank.

"I don't like surprises," said Hager, saying he had received several different budgets and amended budgets.

"We'll just have to wait and see if the budget has been hastily done."

Parsons said that Council members receive financial statements on a regular basis, including both receipts and expenditures.

Councilwoman Norma Bridges said she had a problem with ap-

proving the water/sewer hike. "I'll go for it if we stand behind it and amend it when necessary."

Grindstaff questioned why department heads waited until the budget adoption to put in requests for funds for state mandated projects, lessening the reserve figures from the original budget by nearly \$100,000.

Utility Supt. Jimmy Maney said the mandated items were line items carried over from year-to-year and which Parsons eliminated with budget cuts because they were not recognizable as such.

"We got one answer from a department head at the workshops," said Grindstaff, cautioning department heads that the city administration must get a full picture and not have items "coming in the back door."

Parsons said that some reductions were necessary because of state mandates of the Occupational Health and Safety Administration. She said many of the figures were amended because they were based on low estimates given to her by other departments.

However, an unforeseen \$3,000 fee to run a water line on property owned by Norfolk Southern at Parkdale Mills, a \$2,000 increase in the maintenance cost of the city's electrical peak shaving system caused by a recent lightning strike and \$65,000 more for costs of repairing the lake dam also decreased the reserves.

The new budget calls for no cost of living or merit raises to the city's 150 full-time employees and adds a 5 percent increase in the amount city employees pay for dependent health care.

With the adopted budget, closing of the engineering/Community Services Department is effective Friday.

Neisler asked that the report from the ad hoc committee chaired by Joe Smith be included in the minutes.

That committee, which also included Lou Ballew, Bob Maner and Rick Murphy, supported the Parsons budget, based on the assertions of the city's accountant and Parsons that the two sets of numbers were generated from differences in economic philosophies and they agreed to let a year-end audit determine which figures were correct.

In other actions, Council:

Approved lease of the concession area at Moss Lake to Fundy Enterprises with stipulation that foodstuffs not be permitted on the beach area and that soft drink prices remain at a reasonable rate.

Adopted a resolution authorizing contracts with the N.C. DOT to perform required bridge inspections.

Approved the sale of two propane tanks at the Deal Street Peak Shaving Plant at minimum bid of \$20,000.

Approved the fee proposal of \$29,800 by W.K. Dickson for construction, administration and inspection for Davidson and City Lake Dams. City Engineer Tom Howard said that the city expects to advertise for bids in July.

After an executive session, the mayor said no action was taken. He said that the board is continuing to interview for the position of city manager.



RICK HINNANT

Rick Hinnant joins Winston-Salem law firm

W. Rickert Hinnant has become a shareholder with the law firm of Allman Spry Humphries & Leggett in Winston-Salem. He is a graduate of Wake Forest University and School of Law.

His general business practice focuses on commercial transactions, commercial litigation and employment related matters.

Hinnant, a native of Kings Mountain, is the son of Mrs. Virginia Summers Hinnant of Kings Mountain and the late Lawrence E. Hinnant. He attended the local schools and graduated from Gaston Day School and Tabor Academy. He and his wife, the former Lori Privette, have two sons, Andrew and Walter.

Hinnant is the president of the Forsythe County Young Lawyers Association.

Pre-Fourth celebration at First Baptist Church

A musical celebration of Independence Day will be held Sunday at 7 p.m. at First Baptist Church.

The Sanctuary Choir, under the direction of Minister of Music Morris Jordan, will sing Derric Johnson's, "From Sea To Shining Sea."

Included in the program are such favorites as "America The Beautiful" and "Stars and Stripes Forever." The choir will also sing

"When the Saints Go Marching In" and "The Battle Hymn of the Republic."

A highlight of the evening will be a musical recognition of members of the different branches of the Armed services.

Barney Dye will portray Christopher Columbus and Cindi Wood will portray Betsy Ross in the dramatic scenes from the musical.

The public is invited.

GROVER

From Page 1A

\$36,192 for salaries and wages, and \$3,000 for outside labor.

The Police Department's budget is \$37,433, including \$23,226 for salaries, \$2,500 for vehicle gasoline, and \$1,000 for vehicle repairs.

The Fire Department budget is \$11,167 and the street department's budget is \$17,300, including \$300 for school lighting, \$7,000 for street lighting and \$10,000 for sidewalks.

The environmental department's budget is \$8,100, including \$1,000 for cemetery expense and \$5,000 for landfill fees. A total of \$10,000

is included in the budget for beautification and \$29,331 is budgeted for Powell fund, paving and resurfacing expected to take a big chunk of the budget at \$20,000.

Water and sewer department's budget is \$67,807, including \$29,283 for bond payment interest. Water and sewer operations total \$88,093, including \$18,000 for purchase of water from Kings

CLOSING

From Page 1A

Anvil Knitwear, Dye Tech, Mauney Hosiery Mills, CleveMont Mill, Spectrum Dyed Yarns, Grover Industries, Minette Mills and Cleveland Products.

Kings Mountain Knit will close at the end of the second shift Friday and remain closed the full holiday week.

Parkdale Mills Plant 19, currently operating seven days a week, will operate all week on regular schedule.

PARKER

From Page 1A

my convictions," said the mayor.

The mayor did not directly respond to Parker's charges but said he would continue to serve all the people of Kings Mountain.

"When I see an unwarranted tax increase I must speak up," said Neisler.

The mayor said he has "strong feelings about Kings Mountain."

"I love Kings Mountain and I plan to always make recommendations to this body as long as I am the mayor."

"I have stuck my neck out but I deal in facts."

After the meeting the mayor said he had not intentionally misinformed anyone about the city's finances.

FUNDS

From Page 1A

and Carolinas Medical Center, we have already brought two physicians to visit our hospital and community and we look forward to additional physician visits in the near future."

The Hospital Authority is working with several hospitals in the region to assist them with their physician recruiting efforts.

Speed reading class set July 18 at CCC

A one-day speed reading workshop will be held July 18 at 8:30 a.m. in campus room 2001 at Cleveland Community College. Call 484-4015 to register.

Cost for the class is \$50 and includes a workbook and audio tape of drills designed to keep reading speeds up and even exceed the one-day advanced level obtained.

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