



**Municipal Building Council Chamber**

**Minutes of the Burlington  
City Council Work Session**  
425 S. Lexington Avenue, Burlington, NC  
5:00pm - Monday, January 6, 2020

[www.BurlingtonNC.gov/councilpackets](http://www.BurlingtonNC.gov/councilpackets)

**Council Members Present:**

Mayor Ian Baltutis  
Mayor Pro Tem Kathy Hykes  
Council Member Robert Ward  
Council Member Harold Owen  
Council Member James Butler

**Council Members Absent:** None

**Staff Present:**

City Manager, Hardin Watkins  
City Attorney, David Huffman  
Interim City Clerk, Beverly Smith

Scott Bibler, Peter Bishop, Chris Gaddis, Melanie Hawn, Jaime Joyner, Rachel Kelly, Nolan Kirkman, Todd Lambert, Morgan Lasater, Tony Laws, Blake Moyer, Mike Nunn, Bob Patterson, Peggy Reece, Jay Smith and Jeff Smythe.

**Other Guests Present:** Katie Chung, Ann Honeycutt

**Media Present:** Tomas Murawski, Alamance News, Elizabeth Pattman, The Times News

**A) Gwacheon, South Korea - Students Visit to Burlington, NC**

Mayor Baltutis recognized Katie Chung, Korean Committee Chair for the Burlington Alamance Sister Cities.

Katie Chung expressed appreciation for the invitation from Council to recognize the visiting students and their host families. She announced the Burlington Alamance Sister Cities President, Ann Honeycutt was in attendance. She provided an overview of the agenda during the visit to Burlington and reported this year's visit includes two counselors and twenty high school students traveling from our Sister City, Gwacheon, South Korea. She stated the students arrived on January 3, 2020 and plan to stay in the area through January 17, 2020.

Ms. Chung shared students will live with host families, attend the Burlington School, participate in indoor soccer, attend an Elon basketball game and visit Elon University. She shared the students plan to tour the downtown Burlington area for a full day to visit local businesses, restaurants and tour the murals in the downtown area.

Mayor Baltutis welcomed and thanked the students for visiting and expressed how honored the City is have them in our community. He stressed the importance of the relationship between the City of

Burlington and our Sister Cities of Gwacheon, South Korea and Soledad, Mexico. He demonstrated how the City proudly displays the flags of our sister cities in the Council Chamber and the understanding our community has of the importance of this opportunity for cultural exchange as well as economic exchange. He shared a delegation of City of Burlington representatives including Economic Development Director, Peter Bishop, recently visited the South Korea area. He asked City Council to introduce themselves to the students.

Council Member Owen welcomed the students and expressed appreciation for the number of years of successful visits from students and the relationship with our sister city in Korea.

Mayor Pro Tem Hykes welcomed the students and expressed how delighted the City is to have them as guests in the community.

Council Member Butler welcomed the student and expressed appreciation for the opportunity to learn and share with such a vibrant young group of students.

Council Member Ward welcomed the students and expressed appreciation as well as how honored it is to have them as guests in the community.

City Manager Hardin Watkins welcomed the students and expressed appreciation for the valuable and good friendships built up through the years and urged the students to have an enjoyable time in the area.

Mayor Pro Tem asked the students to share what it is about their country they are particularly proud of. The responses included the large buildings, facilities and structures in Korea, K-Pop music, the types of food and the kindness of their country.

Mayor Baltutis shared he recently visited South Korea on a personal trip last fall and while there he attended a fall festival in Gwacheon and expressed the enjoyable experience had while visiting their country. He mentioned the value to the Burlington community by hosting the students is that it brings a new perspective that allows the City to see the beauty of our community.

Council Members and Korean Counselors engaged in a gift exchange and each student was presented with a welcome gift from the City Council.

The students were dismissed to attend a dinner hosted at Impact Alamance.

## **B) Telecommunications Services**

Council Member Ward asked to be recused from discussion on Item B.

Upon a motion by Mayor Pro Tem Hykes, seconded by Council Member Owen it was resolved unanimously to recuse Council Member Ward from discussion and voting on Item B.

Assistant Chief Chris Gaddis reported on a request received from the City of Graham's Police and Fire Department about the possibility of an interlocal agreement to provide emergency telecommunication services for the City of Graham. He reported conversations started in 2018, becoming more elaborate in 2019. He provided an overview of a preliminary contract and memorandum of understanding drafted and reviewed by all agency heads, City Manager, and Legal Departments.

Assistant Chief Gaddis provided an overview of the proposed agreement. He explained this project would consist of the City of Burlington hiring and training four full-time telecommunicators to be employed in the Burlington Police Department Communications Center to provide services for the City of Graham Police and Fire Departments. He stated the newly hired staff will join the current staff and will be trained to handle calls of service for all departments. He summarized the terms of the proposed agreement to include onboarding of personnel, management costs associated, expansion of services costs. He reported the City of Graham would have a onetime startup fee estimated at \$80,000 and would be billed annually for an estimated cost of \$254,000 for staffing and equipment costs associated with the combined services. He noted the annual amount will be reviewed annually for fiscal year budgeting purposes. He informed Council staff has conducted thorough research on this project and believes this will be cost effective and provide quicker information sharing resources and recommends approval of the agreement between the City of Burlington and the City of Graham. He asked Council to consider an addition to the January 7, 2020, City Council Meeting to approve an interlocal agreement between the City of Burlington and the City of Graham for emergency dispatch and communications services.

Council Member Owen asked for an explanation of the county's responsibilities if these services are combined.

Assistant Chief Gaddis responded Alamance County will remain the primary call center for 911 services. He stated the City of Burlington is a secondary call center. He reported the county receives the call and forwards to Burlington if it is deemed a Burlington jurisdiction. He shared the difference for Graham going forward, the calls received for their jurisdiction will be forwarded to the City of Burlington and does not change anything for the county's primary call center. He explained the City of Burlington will continue to communicate with Central Communications through Alamance County.

Following a brief discussion between Council and staff, consensus was to place an addition on the January 7, 2020, City Council Meeting to consider approving an interlocal agreement between the City of Burlington and the City of Graham.

### **C) Rural Infrastructure Grant Application**

Economic Development Director Peter Bishop announced the City of Burlington is working with a client, Innovative Fabrics, considering an expansion of 13 acres on Whites Kennel Road, creating seven new jobs and investing \$2.95 million in new real and personal property. He informed Council that additional time is needed to gather more information from our partners and would like to delay the presentation of the project to a future meeting.

Council consensus was to delay the report to the February Work Session.

### **D) Human Resources Management Recommendations/Considerations**

City Manager Hardin Watkins reported that Council had acted on several Human Resources management recommendations in early 2019. He explained there are three items which remain open on the list of Interim Human Resources Director Cheryl Brown's recommendations that he will provide an overview and seek further direction from Council.

City Manager Watkins provided a brief overview of the recommendation to eliminate Salary Adjustment for Employees Providing Advance Notice of Retirement, enacted in October 8, 2001. He reported this policy allows employees to receive a 5% salary increase as they notify the city of advanced notice of their pending retirement. He stated this revision may be made within the authority of the City Manager but due to the high-profile nature he is seeking the advice and consent of City Council before deciding on this matter. He shared he brought this request to Council in June of 2019 and seeking additional consideration at this time.

City Manager Watkins provided an overview of another recommendation on the limitation of employment of relatives, also referred to as nepotism. He shared a group of UNC Master of Public Administration students in 2017 conducted research for the City, Ms. Brown picked up the work the students had completed, added additional research to recommend best practices to make some needed improvements. City Manager Watkins stated he made a couple of small modifications since June 2018 and will require City Council action in order to move forward with the recommended revisions to that personnel Ordinance.

City Manager Watkins provided an overview of a recommendation for formal authorization regarding various retention and recruitment incentives for employees. He explained this type of incentive doesn't get used often, but when needed to get or retain the best talent possible for the City it is helpful and has occurred, but without a written formal policy.

City Manager Watkins summarized that discussions began in the summer of 2018, Mayor Baltutis and Council Member Butler asked at the September Work Session in 2019 for an update on the remaining recommendations and these items are back in front of Council at this time for more discussion and consideration. He stated there is no set timetable, deadline, or outside entity pushing for a decision on this. He reminded Council, City Attorney Huffman is engaged and seeking additional information as staff continues research.

Council Member Butler commented on the recommendations provided to Council summarized by Interim Human Resources Director Cheryl Brown which states the 5% pay increase was a contradiction to legislation passed by the NC General Assembly. He asked if the City has anything that states otherwise.

City Manager Watkins responded Ms. Brown sites in the memo, there was action by the General Assembly that offers a viewpoint, with no strict prohibition, there are mandated increases coming by the State Treasurers office that are interpreting things actuarially almost as each person retires. He explained there was a mandatory 1.2% annual increase directed by the State Treasurer's office and these are some of the concerns for long term direction. He advised Council he serves on the North Carolina Manager's Association Retirement Committee and these are some of the things the committee is meeting with the treasurer on in the coming days. He explained it is complicated and additional research is needed to drill into the numbers to discover the long-term implications for the retirement payouts that may involve some actuarial work.

Council Member Butler responded he believes the City has a fiscal responsibility to the taxpayer of how we align what we're doing regarding budgetary items. He explained what concerns him most is that the City might be running contrary to what the state is trying to accomplish and the need to

determine the balance on what's right legally, fiscally, and maintain the culture exhibited when this incentive was adopted.

Council Member Owen commented the intent to increase an employee's salary prior to retirement was driven by the average employee starting at base level pay. He shared an example of calculations for an average city employee which based on his calculation did not equate to a substantial amount for the average individual. He expressed he understands the concept of what was mentioned by the former HR Director, but questioned if this recommendation is in terms of spirit of the law. He pointed out the six-month notice was established with the intent is to allow for succession planning when someone announces retirement. He stated the employee announcing retirement, receives this incentive, but it also provides management the ability to plan out a replacement for that position with advanced notice. He reiterated the incentive was not designed to be pension spiking and was implemented before the general statute. He agreed this should be looked at for the overall organization in terms of how this decision is made. He explained the City does not know for certain when a pension spiking will happen, so we don't know the actual impact of that until we are aware of those members retiring.

Finance Director Peggy Reece responded a letter is sent to the Finance Department quarterly with a list of individuals approaching the thirty-year mark that the City would potentially have to pay out on but does not give an actual dollar amount.

Council Member Ward commented he thinks you need to look back on the legislative history on this matter, which he stated came about in the context of heavy pension spiking. He stated the City's 5% increase, in his opinion, is modest and only for a six-month period and he sees some strong policy reasons to keep it. He reiterated the City would want to keep the spirit of the state law and what it was intended to address, which was heavy pension spiking, and the City's 5%, on the surface, does not appear to be heavy pension spiking. He recommended looking at this actuarially to determine what the actual effect on the City would be in making this decision.

Council Member Owen responded the states policy is unclear, but it has created two classifications with those who make up to \$100,000 and those that make over \$100,000. He stated the retirement system is based on return on investment and can change depending on the year. He explained the whole system is complicated.

Council Member Butler commented it's obvious there was no harmful intent establishing the incentive. He explained in the private sector, it would be great to know who is planning for retirement, and in his opinion, government employment is important to execute a plan and sees the benefit of maintaining the spirit of what this incentive was intended for in succession planning. He asked for a Human Resources or Legal opinion on the matter in making the decision on how to proceed.

Mayor Baltutis commented, the treasurer spoke to the Metropolitan Mayor's Organization a year ago, like Council Member Owen mentioned, he shared things that seem like minor expenses, in the long term, add up when added across all of the public sector employees throughout the state retirement system.

Human Resources Director Jaime Joyner commented there is data to support entities not offering this, and from a Human Resources opinion, perhaps the City needs to ask if we are accomplishing the goal of the employee giving a six months' notice allowing for a sufficient amount of time to succession plan.

City Manager Watkins specified the policy reads the Department Head makes a recommendation to the City Manager for approval of the incentive. He explained he regularly approves these requests for employees that did not give a full six months' notice which provides them the 5% salary increase for the remainder of their employment in that given notice.

Following lengthy discussion, consensus was for City Manager and staff to continue working on these recommendations and to report back to Council at the February 18, 2020, City Council Meeting.

**E) Boards and Commissions Reports**

- Planning and Zoning Commission - None
- Traffic Commission – None
- Public Transit Advisory Commission (PTAC) - None

The meeting was adjourned at 6:06pm.

Beverly D. Smith  
Beverly D. Smith  
Interim City Clerk

January 6, 2020  
Work Session