

Meeting Minutes
January 9, 2012

Mayor Lewis called the regular meeting to order at 7:30 p.m. and gave the invocation. Members present were Commissioners Danny Alford, Cherrye Davis, Dale Bachmann, and J.W. McClenny. Commissioner Harold Meacombs was absent. Chief Dennis Murray and Officer Vennie Brock were the only guests present.

Mayor Lewis opened the floor for public comment. No comments were made and the session was closed.

The December minutes were approved unanimously in a motion by Commissioner Alford and seconded by Commissioner Bachmann.

Commissioner Bachmann requested to add item (g) under New Business: discuss water rates. The amended agenda was unanimously approved in a motion by Commissioner Bachmann and seconded by Commissioner Alford.

John Anthony, Anthony & Tabb, PA, town auditor, reviewed the audited financial statements for 2010-2011. Anthony reviewed the auditor's opinion letter which states the town received a "clean opinion" and that the financial statements fairly represent the financial condition of the town.

Anthony highlighted the town's cash assets totaling \$1,263,000 is very good for a town this size. He added that cash decreased \$212,000 from last fiscal year, due to extra payoff of debt service and money expended for capital projects, which is not a negative thing. In the General Fund, \$83,000 of the \$174,751 change in fund balance was due to paving of Powell Bill streets. All departments stayed within the budget.

Income statements for the water and sewer fund reflect a net loss of \$46,467 which represents \$148,824 in depreciation, and net before depreciation was a positive \$102,357. Although actual operating income was a positive, depreciation is a real expense spread over time for maintaining cost of the water and sewer system. Net cash for providing actual water and sewer services was a positive \$127,525.

Property tax receivables rate of 94.75% is slightly below the 95% statewide average and John recommended we concentrate on collections and take further action on property owners that will not pay. Clerk Lambert added that less time was spent on collections due to added job responsibilities relating to

the grant project for the wells, and added the economy has also affected collections of taxes.

In the schedule of findings, John noted a significant deficiency due to the town not being responsible for preparing its own financial statements. He added that even though he was required to report this, the town should not be concerned, because in all his years working with local governments, he has never had a client that did prepare their own financial statements. Mayor Lewis thanked John for his presentation.

The December financial statements were unanimously approved in a motion by Commissioner Bachmann, which was seconded by Commissioner Alford.

Chief Murray reminded the Board that he had reserved the community building for a checkpoint Saturday at 7:00 p.m. and would be buying pizza for all the agencies on hand to provide assistance. He invited the board members to come by and observe. The department receives points from the Governor's Highway Safety Program for participating in checkpoints, which Chief Murray receives free items for the town.

Mayor Lewis advised that just before Christmas, mobile generator cords were cut and stolen from inside the public works fence, and there were no visible signs of entry. Chief Murray added that the first suspect did not turn out and recommended the town install motion sensor lighting in the area. Murray has checked with the recycle companies for anyone selling #1 copper, but nothing has turned up to date. An insurance claim has been filed.

The new Powell Clinic at Middlesex Corporate Park opened for business on January 3rd. A ribbon cutting and open house will be held on Monday, January 23, 2012 at 4:00 pm at the clinic and invitations will be mailed.

Mayor Lewis met with contractors at the town-owned old Powell Clinic building on East Finch Avenue to assess work needed to retrofit the building for a dentist office. He has placed calls to find possible grant funds. Mayor Lewis has plans presented by a contract dentist in Greensboro who would like to open a dental office and move to Middlesex at a later date. Commissioner Bachmann added that he was taken aback by the amount of work the building needs. Mayor Lewis encouraged all the commissioners to go look at the building. A special meeting may be scheduled, depending on when all the costs are finalized.

The original annexation petition and map from Nash County requesting the Corporate Park be annexed omitted two tracts of land. On the advise of the

town's attorney, Liz Fairman, a corrected annexation petition and map was completed by Nash County and resubmitted. All the annexation steps must be repeated. Commissioner McClenny moved to adopted Resolution R2012-1076 authorizing the Clerk to investigate the sufficiency of the corrected petition. The motion was seconded by Commissioner Davis and carried unanimously.

Commissioner McClenny moved to confirm the telephone poll approving TriScapes to complete clearing, grading and seeding at Hollywood Cemetery for \$2287.50. The motion was seconded by Commissioner Bachmann and carried unanimously.

The following 2011-2012 Budget Amendments were unanimously approved in a motion by Commissioner Bachmann and seconded by Commissioner McClenny.

<u>GENERAL FUND EXPENDITURES:</u>		<u>INCREASE</u>	<u>DECREASE</u>
<u>Police Department:</u>			
10-510-4500	Contracted Services	1,450.00	
10-510-7400	Capital Outlay		1,450.00
<u>Cemetery:</u>			
10-640-4500	Contracted Services	2,290.00	
<u>GENERAL FUND REVENUES:</u>			
10-390-0100	General Fund Bal Approp.	2,290.00	

Mayor Lewis advised the Board that Pencco, Inc. has asked the town to review a request for a special use permit for a tract of land on the east side of Select Source to place a chemical plant to produce and distribute the water treatment chemical ferric sulfate. The property is correctly zoned, but a special use permit is required because the tanks will be outside & not contained in a building. The Planning Board held a preliminary meeting last week to review a presentation and to ask questions. The Planning Board will meet again on January 17, 2012, and decide on a recommendation to the Town Board. Commissioner McClenny moved to schedule a Public Hearing at 7:30pm in the Conference Room of the town hall on February 13, 2012 to hear public questions and comments regarding the Special Use Permit request from Pencco, Inc. His motion was seconded by Commissioner Davis and carried unanimously.

A written dispute was received this week from a customer who received a notification that their delinquent water bill would be submitted for collection to the NC Debt Setoff Program. This is the first dispute the town has received.

Commissioner McClenny moved to appoint Mayor Lewis as the Hearing Officer, and the town board will rule on all appeals to the Hearing Officer's decision. Commissioner Davis seconded, and the motion carried unanimously.

Mayor Lewis recommended that the Board appoint Julia Corbett Liles to the Planning Board, increasing the number of seats on the Planning Board to seven, four seats inside the city limits and three in the extra-territorial jurisdiction (ETJ). Commissioner McClenny moved to appoint Julia Corbett Liles to the Planning Board and to increase the Planning Board membership to seven seats, four inside and three in the ETJ. His motion was seconded by Commissioner Alford and carried unanimously.

A 2011 Property Tax Release received from Nash County for William Durham for a veterans exemption totaling \$247.50 was approved unanimously in a motion by Commissioner Alford and seconded by Commissioner McClenny.

The following tax discoveries received from Nash County were approved unanimously in a motion by Commissioner Bachmann and seconded by Commissioner McClenny.

- (1) Pauline Thomas – 2009 Tax \$4.30; 2010 \$4.11
- (2) Stallings Brothers – 2009 Tax \$943.62
- (3) Marvin Brad Turnage – 2010 Tax \$16.89
- (4) Rosa Pimental Vargas – 2009 Tax \$8.05
- (5) Catelina Zeppeda – 2010 Tax \$109.99
- (6) Adolpho Sanchez – 2009 Tax \$13.98
- (7) Isabel Hernandez Sanabria – 2010 Tax \$6.05

Commissioner Bachmann recommended to increase water rates fifty cents per thousand gallons and decrease the sewer rates fifty cents at least through June 30, 2012. He added that reviewing the year to date financials that the water fund has a net income of \$1,563 and the sewer fund is \$65,172.49 and it appears that the water fund may suffer a loss for the year if no action is taken. The net effect on most of the citizen's bills would be zero. The water increase would only increase the bills of the residents and businesses that are on town water only, no sewer, which is ten to fifteen customers. After a brief discussion, Clerk Lambert advised the Board that the new rates could be entered and would be effective with the January 30, 2012 bill if that was the pleasure of the board. By a unanimous vote, Commissioner Bachmann moved, and Commissioner Alford seconded, to increase the water rate fifty cents per thousand gallons to \$4.50, and decrease the sewer rate fifty cents per thousand gallons to \$13.00 until June 30, 2012, at which time they will be reviewed again.

After a brief discussion, Commissioner Bachmann moved to add two Auxiliary Police positions in the police department and requested Chief Murray to bring the two applications to the Town Board for review. Commissioner Alford seconded and the motion carried unanimously. The positions are unpaid positions and Chief Murray stated he has some uniforms he will try to use to keep costs minimal. These unpaid positions are covered by the town's workers comp policy, and the insurance premium is based on payroll dollars.

Mayor Lewis advised the Board that he is working with Town Attorney Liz Fairman reviewing unemployment claims which have been filed against the town. Due to the fact that the town is a non-charging reimbursable employer, the Employment Security Commission advises us we must pay. Liz is researching case files and laws to determine the town's next step. We have paid one claim and have received three more.

Commissioner Bachmann moved to go into Closed Session under G.S.143-318.11(a)(6) to discuss personnel matters.

Back in Open Session, Commissioner Alford moved to recess the meeting and reconvene at 8:30 a.m. on Tuesday, January 10, 2012 in the Conference Room at the town hall to continue unfinished Closed Session business. The motion was seconded by Commissioner Davis and carried unanimously.

Reconvened Meeting
January 10, 2012

Mayor Lewis called the reconvened meeting to order at 8:30 a.m. Commissioners Danny Alford, Cherrye Davis, Dale Bachmann, and J.W. McClenny. Commissioner Harold Meacombs was absent.

Commissioner Dale Bachmann moved to go into Closed Session under G.S.143-318.11(a)(6) to continue discussions on a personnel matter.

Back in Open Session, Commissioner Alford moved to place Utility Worker Jeff Waddell on a four day work week (32 hours per week) and he will be on six month's probation and will be reviewed every thirty days. Mayor Lewis stated that Jeff's normal work schedule will be Monday, Tuesday, Thursday and Friday, which is subject to change by Supervisor Dale Bachmann, depending on situations that may arise. He added that Jeff would continue to receive all his employee benefits. This change will be effective next week. The motion was seconded by Commissioner McClenny and carried unanimously.

Being no further business, Commissioner Bachmann moved to adjourn.

Jennifer Lambert
Town Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Danny Alford
Cherrye Davis
Dale Bachmann
J.W. McClenny