

June 8, 2009

The Middlesex Governing Body met in regular session in the Conference Room of the Town Hall. Mayor Luther H. Lewis, Jr. called the meeting to order at 7:30p.m. and gave the invocation. Members present were Commissioners Harold Meacombs, Fred Hough, Luke Robinson, and Derek Bissette. Commissioner J.W. McClenny was absent. Guests present were citizens Dale Bachmann, Vennie Brock, Barry Rich, and Glenn Silver with Major Steps, Inc.

Mayor Lewis opened the floor for a public hearing to hear comments or questions on the proposed 2009-2010 budget. There were no comments by the public and the hearing was closed at 7:31 p.m.

Mayor Lewis opened the floor for public comment. Mayor Lewis recognized Cash Cameron, who resides at 12025 E. Hanes Ave. Mr. Cameron stated that there was a water line busted at his house and caused rusty, brown water and he had been having problems with discolored water for some time because the lines are old $\frac{3}{4}$ " galvanized pipe and need to be replaced. Mayor Lewis advised Mr. Cameron that he would look into situation and he closed the session at 7:34 p.m.

The May minutes were approved in a motion by Commissioner Hough, seconded by Commissioner Robinson and carried unanimously.

Administrator Bissette requested to add Item (2) under Project Updates to allow Glenn Silver with Major Steps, Inc. to address the Board regarding the purchase of the former Fawn Plastics building, and add Item (d) under Old Business, AECOM Earthtech engineering contract for the Well Project to discuss the grant administration costs.

Commissioner Robinson moved to approve the agenda with the requested additions. The motion was seconded by Commissioner Bissette and carried unanimously.

The May financial statements were accepted as correct in a motion by Commissioner Robinson, seconded by Commissioner Meacombs and carried unanimously.

During the discussion of the Utility Director's report, Mayor Lewis thanked Dale Bachmann for all the work helping Jeff to find sewer infiltration problems and work at the Wellness Park. Dale stated that a large crack in a sewer line was found on N. Spruce Street when the line was TV'd. Administrator Bissette noted 18 manholes are in the process of being repaired and she is waiting for a

quote from the same company, Ralph Hodge Construction, to repair the line on N. Spruce Street because shoring will be involved.

Project Updates by Administrator Bissette were as follows:

(1) Wellness Park- Nash County inspected late Friday, the sewer line has been installed and Commissioner Meacombs has a form which he will get with Administrator Bissette to complete and return. One tile for the walking track has been installed. Mayor Lewis asked how long before gravel can be put on the walking track and added that treated 2' x 6's need to be put in some places on the track. Dale Bachmann added that they had put a smooth bucket on the backhoe because the bucket with teeth was not doing the job and they would try to start Wednesday.

(2) Meter Replacement/Well Project-The contract is being signed by the Rural Center and we are waiting for AECOM Earthtech to sign the engineering contract.

(3) Cemetery Wall damage has been completed by an employee of Ricky Anderson at a cost of \$100.

(4) ACC Roofing has sprayed new foam on the roofs of all three of the town buildings on S. Nash Street because all the buildings needed repairs, not just the building at 10236 S. Nash leased to Levi and Belinda Evans, who had reported leaks. This work was covered by the warranty at no cost.

(5) Administrator Bissette also presented figures with a year to date comparison of revenues versus expenditures showing the contingency used through June 2nd date in all funds; General Fund \$63,169.37, Water Fund \$18,836.17, and Sewer Fund \$11,039.96.

Commissioner Hough moved to amend Resolution #R2009-1033 adopted May 11, 2009 to increase the Finance Officer bond to \$75,000 and increase the Tax Collector bond to \$75,000 due to the dual appointment of Clerk Jennifer Lambert for both positions and as required by the Local Government Commission. Commissioner Robinson seconded the motion and it carried unanimously.

Administrator Bissette advised the Board that she spoke with Larry Mitchell with AECOM Earthtech Engineering and he said he realizes money is tight with everyone now but his company cannot administer the Well/Meter Grant Project for \$1,000. He stated his company already had more than that invested in the project due to the fact that it has been changed three times and they would

not be making any money. He asked that the Board honor \$5,000 in grant administration in the contract or his firm would not be able to continue the project. Bissette reminded the Board that the funds to pay the engineer are 100% grant and that the Rural Center is awaiting the signed engineering contract to continue with the project. Commissioner Bissette moved to add \$5,000 back to the engineering contract for grant administration of the Well and Meter Project. His motion was seconded by Commissioner Meacombs and carried unanimously.

Mr. Glen Silver, a representative for Major Steps, Inc., addressed the Board regarding purchasing the former Fawn Plastics building to start a plastic injection molding plant.

Major Steps, with corporate headquarters in Rocky Mount, has been in business for fifteen years, and Mr. Felix Batts, President and CEO and sole owner has been with Major Steps since 2003. The company has three divisions and major products produced will be (1) a toy fireman's helmet previously made in China and they desire to bring back to U.S. (2) a smoke generator used for fire and police training and crowd control, and (3) a new firefighter's helmet to be introduced next year, and the facility will be versatile because anything made with the plastic injection molding technique could be manufactured there.

Mr. Silver stated 50 jobs would be created at the startup, up to 200 or more later, and research estimated 227 "ripple effect" jobs and up to a \$15 million dollar impact on the local economy. He requested that the town apply for grant funds through the NC Rural Center for renovation and up-fitting the vacant Fawn Plastics building for a plastic injection molding company. The initial, or predevelopment grant application for \$25,000 is due June 29th and the application will be completed by Major Steps. The town's only cost would be an "in kind" match of \$1,000. Engineers would review the site and check for up-fitting, giving detailed cost estimates to meet the June 29th deadline. A second grant up to \$750,000, would be applied for at a later date to get the plant reopened and running. Each local government can be funded up to \$750,000, or up to \$20,000 per job created. These funds could be used for purchasing the land, building, and capital equipment.

Commissioner Hough asked what their plans were if the town decided not to participate and Mr. Silver stated that they plan to come anyway, so the town's involvement would just be a plus. He also asked if they currently had plants in operation. He replied one was in Durham and one in China, which they are trying to move production to Middlesex due to high fuel costs. Mayor Lewis asked what the salary range for the jobs would be. Mr. Silver replied that they

had not been established but would be competitive, probably in the \$30,000 to \$50,000 range. Mr. Silver was very optimistic that orders could be taken in July and they could be up and running in 45-60 days.

After a couple of questions regarding the town's costs and any possible liability in case the goals of Major Steps were not met, Administrator Bissette said she would call the Rural Center to verify exactly what the town's cost or liability would be, if any, and report back to the Board. Commissioner Meacombs moved to apply for the predevelopment grant of \$25,000. His motion was seconded by Commissioner Robinson and carried unanimously.

Commissioner Bissette passed out several scenarios of water and sewer rates, using the number of customers and usage for April 2009 as a guideline. In all scenarios, Bissette used no minimums, for example, you pay only for what you use and everyone would pay a flat rate. There were 411 water customers and 401 sewer customers. Spreadsheets for water and sewer had various flat availability fees and different rates per gallon to see what revenues would be generated by each.

Administrator Bissette reminded the Board that the Local Government Commission and the NC Rural Water Association advised that flat availability fees are set to fund debt service and depreciation, and that the rate per gallon should cover the operating costs. Also, she advised that lower rates per gallon could keep the town from getting future grants, since the Rural Center has set rate requirements for grant consideration.

After a lengthy discussion, Mayor Lewis asked Administrator Bissette if the budget could be adopted as is, with no rate increases, and adopt rate increases later. She advised the Board this could be done. Commissioner Bissette moved to adopt the 2009-2010 budget, by department, as follows, with no rate increases, and discuss rate increases at the July 13th meeting.

<u>FUND 10</u>	<u>ACCOUNT #</u>	<u>AMOUNT</u>
GENERAL FUND REVENUES		877,670
<u>GENERAL FUND</u>		
<u>EXPENSES</u>		
Governing Body	10-410-0000	5,140
Administration	10-420-0000	134,320
Tax Collections	10-460-0000	1,150
Legal	10-470-0000	6,000
Econ./Physical Dev./Zoning	10-490-0000	123,570
Public Buildings	10-500-0000	12,850
Community Building	10-502-0000	2,450
Police Department	10-510-0000	264,450

Police Drug Fund	10-511-0000	1,200
Public Safety	10-530-0000	20,000
Streets & Sidewalks	10-560-0000	72,470
Powell Bill	10-570-0000	83,000
Sanitation	10-580-0000	96,820
Parks & Recreation	10-590-0000	29,700
Cemetery	10-640-0000	1,100
Non-Departmental	10-660-0000	1,700
Library	10-680-0000	21,750
Total General Fund Exp.		877,670

FUND 30:

Water Revenues	Fund 30	480,500
Water Expenditures	Fund 30	480,500

Sewer Revenues	Fund 30	343,600
Sewer Expenditures	Fund 30	343,600

TOAL WATER & SEWER	Fund 30	<u>824,100</u>
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TOTAL 2009-2010 BUDGET		1,701,770
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Commissioner Hough seconded the motion and it carried unanimously.

Being no further business, Commissioner Bissette moved to adjourn.

Jennifer Lambert
Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Fred Hough
Luke Robinson
Derek Bissette