

Middlesex Governing Body Meeting Minutes
December 8, 2014

Mayor Lewis called the regularly scheduled meeting to order at 7:30 pm and gave the invocation. Members present were Commissioners Harold Meacombs, Danny Alford, Cherry Davis, Ann Lewis, and J.W. McClenny. Approximately ten guests attended.

Commissioner Alford moved to approve the November meeting minutes as presented by Clerk Lambert. Commissioner Lewis seconded and the vote was unanimous.

Mayor Lewis requested to add Item 5. New Business to the agenda: (a) Approve Memorandum of Understanding for participation in the Upper Coastal Plain Rural Planning Organization (UCPRPO) to provide transportation planning for Nash, Edgecombe, Johnston and Wilson Counties; and (b) Appoint Mayor Lewis as representative to the Technical Advisory Committee (TAC) for the UCPRPO. Lewis also requested to move the Old Business to the last item on the agenda. Commissioner Meacombs moved to approve the amended agenda. The motion was seconded by Commissioner McClenny and the vote was unanimous.

Clerk Lambert presented the November financial statements, which were unanimously approved after a motion by Commissioner Lewis and a second by Commissioner Davis.

Utility Supervisor James Liles noted he continues to have problems with large chunks of grease in the sewer lift stations. The new sewer pump should be installed at the Selma Road lift station within the next two weeks.

Mayor Lewis reported another new home construction in Village Square Subdivision, and two new homes in Southwinds Subdivision. He also referred to a letter from Nash County, which reappointed him to the Carolinas Gateway Partnership Board of Directors for another term to expire December 31, 2017.

Commissioner Alford asked James Liles if he needed help and how everything was going in the Utility Department. James advised the Board that he needs backup, especially with sewer pumps. He added that things should get better when the sewer pump problems are under control. Alford asked about pursuing part time help and James replied he will try to make it until April when grass cutting season starts. Alford asked if he got pulled off the job at lot and James replied, "Yes, but that's just the way the job is". James added he spends a lot of time with sewer pumps and checking chlorine.

Review and discussion of the Code of Ethics was moved to the end of the meeting after the Closed Session and John Anthony's report on the 2013-2014 financial audit.

Mayor Lewis presented the Memorandum of Understanding for participation in the Upper Coastal Plain Rural Planning Organization (UCPRPO) to provide transportation planning for Nash, Edgecombe, Johnston and Wilson Counties for Board approval. Nash County picked the towns of Spring Hope and Middlesex to represent the Nash County. Nash County asked Mayor Lewis to be the Middlesex representative to the Technical Advisory Committee (TAC) for the UCPRPO, and he must be appointed by the Town Board. Commissioner Meacombs moved to approve the Memorandum of Understanding. Commissioner McClenny seconded and the motion passed unanimously. Mayor Lewis was unanimously appointed representative to the Technical Advisory Committee, after a motion by Commissioner Meacombs and a second by Commissioner Lewis.

Mayor Lewis opened the floor for public comment. There were no comments and the session was closed.

Commissioner Meacombs moved to go into Closed Session as allowed by G.S.143-318.11(a)(6) to discuss police officer applicants. Commissioner Davis seconded. Before the public left the room, John Anthony arrived. Mayor Lewis requested to hear John's report before the Closed Session. Commissioner Meacombs moved to return to Open Session. His motion was seconded by Commissioner McClenny and passed unanimously.

John Anthony, Anthony & Tabb, PA, presented the audited 2013-2014 financial statements. The Local Government Commission advised the statements have been approved and they will be sending a letter later with any comments or concerns. John advised the Board he would point out some important numbers and any answer questions. The audit received a standard opinion, which means the statements are a fair presentation of the town's finances. He referred to the Management Discussion and Analysis, which is a less technical summary of the numbers in the financial statements, and is from the Town Board to the reader.

On Page 18 of the Statement of Net Position (or Balance Sheet), John pointed out a new requirement. Customer Utility Deposits totaling \$40,341, were accounted for under Restricted Assets and reported as a Liability payable from restricted assets.

The Change in Fund Balance in the General Fund was a \$140,369 deficit, which means the town again dipped into the General Fund Reserves. John noted he would address this further at the end of the presentation.

The Water and Sewer Fund had a loss of \$16,307, which includes depreciation of \$166,734. Depreciation is a true expense over time, but without depreciation, the water and sewer fund realized a net profit of \$106,000. John noted the Water and Sewer Fund is doing fairly well. Net cash flow from operating activities in the Water and Sewer Fund was \$177,665 to the good and realized a net increase of \$55,000.

The General Fund has no long term debt and the Water and Sewer Fund will be out of debt after five years. The property tax collection rate for ad valorem tax was 94.17%. Out of a total levy of \$256,376, collections were \$221,000, leaving \$12,893 taxes uncollected after abatements. Vehicle collections were 94.02%, and should continue to increase with NC DMV now collecting these taxes when customers renew their license plates.

John stressed to the Board that the town cannot continue to use General Fund balance. He added the town is now at a critical stage from a financial standpoint. He presented a list of General Fund balance used each fiscal year since June 30, 2012. The numbers were as follows:

June 30, 2012	(\$59,787)
June 30, 2013	(197,727)
June 30, 2014	(140,369)


John also pointed out it would take a \$.25 cent tax increase to cover the \$154,335 in General Fund Balance Appropriated for the current 2015-2015 year budget to just break even. John recommended that Department Heads take a close look and go through everything searching for expenses to cut. He advised the town is at a crossroads and at the rate we are going, in June of 2016, there will be no fund balance to use to balance the budget. He added that we are looking at cutting expenses and a hefty tax increase for 2015, and that we need to get on it. There were no questions. Mayor Lewis thanked John for his report.

Commissioner Meacombs moved to go into Closed Session as allowed under G.S.143-318.11(a)(6) to discuss police officer applicants. Commissioner McClenny seconded and the vote was unanimous.

Back in Open Session, Commissioner Meacombs moved to accept Officer Crystal Daughtry's oral resignation effective immediately. Commissioner Alford seconded and the vote was unanimous.

Commissioner Meacombs move to hire Roger Elbridge Shearin at an annual salary of \$28,500, and hire Brian Taylor at a salary of \$28,500 per year, to fill two vacant Police Officer positions in the police department. Roger Shearin is hired effective today and Brian Taylor is hired effective today, with the final hire date being the date he is sworn in.

Being no further business, Commissioner Lewis moved to recess and reconvene the meeting to December 17, 2014 at 9:00am to review and discuss the Code of Ethics. Commissioner McClenny seconded and the vote was unanimous.


Jennifer Lambert, Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Danny Alford
Cherrye Davis
Ann Lewis
J.W. McClenny