

TOWN OF BROADWAY  
BOARD OF COMMISSIONERS  
MEETING  
MINUTES  
DECEMBER 28, 2015

A scheduled meeting of the Board of Commissioners was held on Monday, December 28, 2015 at 7:00 p.m. at the Council Chamber, 102 East Lake Drive, Broadway, North Carolina.

Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, Woody Beale, Jim Davis, Lynne Green, and Janet Harrington. Also, Town Attorney Jimmy Love, Town Manager Dustin Kornegay and Town Clerk Laura Duval were present.

The meeting was called to order by Mayor Andrews. The Mayor gave the invocation, which was followed by the Pledge of Allegiance.

The organizational meeting was held as follows. Town Clerk Laura Duval administered the oaths of office to Mayor Andrews, Commissioner Woody Beale and Commissioner Lynne Green.

Mayor Andrews called for nominations for Mayor Pro Tem. Commissioner Jim Davis nominated Tommy Beal to serve as Mayor Pro Tem. Motion was seconded by Commissioner Green. Commissioner Davis made the motion to close the nominations. The motion was seconded by Commissioner Green. Motion carried unanimously to elect Commissioner Tommy Beal as Mayor Pro Tem.

Commissioner Davis made the motion to appoint Mayor Pro Tem Beal as the representative to Triangle J with Mayor Andrews serving as alternate. The motion was seconded by Commissioner Woody Beale. Motion carried unanimously.

Commissioner Woody Beale made the motion to appoint Mayor Andrews as the representative for TARPO. The motion was seconded by Commissioner Davis. Motion carried unanimously.

Commissioner Davis made the motion to appoint Mayor Andrews as the representative for SAGA (Sanford Area Growth Alliance). The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

Mayor Pro Tem Beal made the motion to accept the Agenda as presented. The motion was seconded by Commissioner Davis. Motion carried unanimously.

Consent Agenda – Approval of Minutes from November 23 meeting and November Financial Statements. Commissioner Green made the motion to accept the Consent Agenda as submitted. The motion was seconded by Commissioner Harrington. Motion carried unanimously.

Town Manager Kornegay introduced Shelton Ennis with Joyce & Company who conducted the Town's financial audit for fiscal year 2014-2015. Mr. Ennis reviewed the audit highlights. Cash balances increased \$108,000 from prior year. This increase was based on unused Powell Bill Funds and increases in General Fund and Utility Fund. Fixed Assets (consisting of vehicles, buildings and equipment) increased due to the purchase of a new patrol car and paving the Community Building parking lot. There was a decrease of \$101,000 in Water and Sewer Fund due to the depreciation of long-term fixed assets. Fund Balance increased by \$54,000 compared to \$37,000 prior year.

Water & Sewer Fund increased to \$562,000 from \$507,000 prior year because operating profits improved due to lower operating expenditures.

Ad valorem taxes decreased by \$7,000 due to the new tax and tag vehicle system. The valuation subject to tax decreased from \$87,608,000 prior year to \$85,773,000. In 2014, 16 months were accumulated, and in 2015, 12 months were accumulated. The Town had a 98.7% tax collection rate prior year. As a result of the new tax and tag system, the Town had a collection rate of 98.9%. The state average for municipalities is 95.8%.

General governmental long-term debt increased from \$6,000 prior year to \$16,000 due to the purchase of a new police car. Water/Sewer long-term debt had a decrease because of the payoff of bonds and the John Deere loan. It decreased to \$391,000 from \$460,000 prior year.

Mr. Ennis stated the audit opinion was unmodified or clean, meaning the financial statements present fairly in all material respects the financial position and the results of the operations and the cash flows of its proprietary fund types of the Town for the year ended June 30, 2015.

Mr. Ennis referred to the Schedule of Findings and Responses on page 5 of the audit. There is a lack of proper segregation of duties. This finding is not unusual for a Town with limited staff. The recommendation is to increase the staff of finance. However, sometimes the cost is not worth the benefit. The Town Board would make this decision.

Town Manager Kornegay reported additional information regarding the financial audit. In General Fund, overall revenue increased approximately 1.2% or

\$10,210 compared to prior year. Compared to budget, actual revenue was \$18,486 (2.2%) higher than budget. General Fund expenditures increased by .6% or \$4,944 compared to prior year. Compared to budget, actual expenditures were \$51,230 (5.8%) less than budget.

Fund Balance increased by \$53,452 in fiscal year 2014/2015. At June 30, Fund Balance was \$890,799. Fund Balance available for appropriation is \$814,238 and includes Designated: Powell Bill - \$170,276, Cultural and Recreational - \$1,592, and Public Safety - \$995. Assigned includes: Cultural and recreational-festival \$18,431. Unassigned is \$622,944. Fund Balance available for appropriation excluding the designated and assigned funds is at 76% (as a percent of the 2015/2016 budget).

In Utility Fund, overall revenue increased approximately 4.4% or \$16,078 compared to prior year. Compared to budget, actual revenue was \$15,856 (4.4%) more than budget. Utility Fund expenditures decreased by 3.1% or \$9,713 compared with prior year. Compared to budget, actual expenditures were \$62,914 (17.3%) less than budget. There was a net income of \$78,770 in fiscal year 2014/2015 compared to a net income of \$52,979 in fiscal year 2013/2014.

The Town Manager thanked Barbara and Laura for their work and stated the Town is in good hands financially. He also expressed appreciation to Beth Kelly and the City of Sanford for all their help throughout the year. Mr. Kornegay thanked Mr. Ennis and Joyce & Company for conducting the audit.

Mayor Andrews mentioned that a formal fund balance policy had been adopted since June 30, 2015. He thanked Town Hall staff and Beth Kelly and her staff for their support.

Mayor Andrews presented a budget amendment appropriating \$22,300 for the 2016 Broadway Our Way Festival. Mayor Pro Tem Beal made the motion to adopt the budget amendment as presented. The motion was seconded by Commissioner Harrington. Motion carried unanimously.

Mayor Andrews discussed the marketing campaign. The Chamber section of SAGA, headed by Meg Moss, will work with Broadway to promote Broadway's local businesses and services. The Mayor proposes mid-March for a business after hours event so that it would lead into the BOW festival. During January the local businesses and services would be encouraged to buy in. The costs involved are for posters, punch cards for drawings and mailed notification to citizens. SAGA is very receptive to helping out. The Town would invite Sanford businesses here. The marketing campaign would be incorporated in the next Town newsletter.

Under Manager's Report, Mr. Kornegay advised that he has submitted the renewal for the Wastewater Treatment Plant permit. This renewal is done every five years and must be submitted six months prior to the due date.

Mr. Kornegay reported that the LED lights have been put up, and there has already been a decrease in energy bills.

During budget time, an item that needs to be taken into consideration is the water tank. It needs scheduled maintenance inside and outside. This work will be rather costly.

Another consideration during budget preparation is the purchase of Christmas banners or Christmas wreaths. It would cost approximately \$8,000 to replace all the old wreaths and \$3,000 to purchase banners. The purchase could be made in July in order to get cheaper prices. The Town Board expressed concerns that banners could not be seen at night and the possibility that they might wear out quickly.

Susan Condlin, with the help of a Master Gardener, devised a scheduled maintenance plan for the Town. The plan is very extensive and thorough. The Town Manager advised against Town staff doing all the maintenance because their main responsibility is water and sewer operations. He recommended hiring someone to do the routine maintenance and pruning at a minimal cost.

Under Commissioner Comments, Commissioner Green stated that she appreciates the opportunity to serve the Town of Broadway for another term. She mentioned that a lot of plans are underway and is happy to be a part of them.

Mayor Pro Tem Beal remarked that the Christmas parade went over well. It appeared to be the largest crowd in attendance. He did receive some complaints that getting out of Broadway was a problem. The Mayor Pro Tem believes an officer at Mansfield Drive is needed. Mayor Pro Tem Beal stated that he is glad that Commissioner Beal and Commissioner Green are serving another term.

Commissioner Harrington expressed her appreciation to staff for their hard work all throughout the year. She wished everyone a Happy New Year.

Commissioner Woody Beale stated he is honored to serve the Town for another term. There will be a lot of hard work involved in getting some projects accomplished, but it is his goal to see them through to completion. Commissioner Beale is humbled to serve on the Town Board, and he encouraged all members to work together to get the job done. He wished everyone a Happy New Year.

Under Mayor Comments, Mayor Andrews thanked the Lions Club for sponsoring the Christmas parade. It was a good parade and had the biggest crowd ever.

Christmas in the Park was also very well attended and was a good service. He expressed his appreciation to those who participated.

Rev. Swann, Pastor of Cameron Grove AME Zion Church, has extended an invitation to the Town Board to attend the Martin Luther King Celebration sponsored by the church. It will be held January 17 at 6:00 p.m. The keynote speaker is Mayor Ray of Spring Lake.

At the February board meeting, two public hearings will be held. UDO text amendments will be considered for sandwich board signs and microbreweries.

Mayor Andrews reported SAGA is moving forward. All of the entities are moving to the Buggy Factory in January. It will be a selling asset to have the growth alliance, the chamber and economic development in one place.

The Mayor attended the December TARPO meeting. D.O.T. plans to resurface some area roads. It is part of a 4.0 plan that begins the first part of 2016.

Town Hall has 2016 schedules for garbage collection. Everything seems to have gone well with Waste Industries on the split schedule for recycling, and the Mayor hopes it continues to go smoothly.

Mayor Andrews echoed the sentiments of Commissioner Woody Beale and Commissioner Green. It is an honor and a privilege to serve the citizens of Broadway.

At the January meeting Mayor Andrews hopes to present drawings and figures from the architect for the construction of a new Town Hall. It is a priority to make the Town Hall a better operation. The Town Manager, staff, public works and police officers all do a great job.

The Mayor welcomed Lee County Commissioner Kirk Smith to the meeting. It was a pleasure having him attend tonight.

With no further business to come before the Town Board, Commissioner Woody Beale made the motion to adjourn the meeting. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously to adjourn.

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Donald F. Andrews, Mayor

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Laura K. Duval, Town Clerk

