

TOWN OF BROADWAY
BOARD OF COMMISSIONERS
MEETING MINUTES
JANUARY 23, 2017

A scheduled meeting of the Board of Commissioners was held on Monday, January 23, 2017 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, Finance Director Barbara Cox 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.

Commissioner Harrington made the motion to accept the Agenda as presented. The motion was seconded by Commissioner Woody Beale. Motion carried unanimously.

Consent Agenda – Approval of December 19 and December 22 Minutes and December Financial Statement. Mayor Pro Team Beal made the motion to accept the Consent Agenda as submitted. The motion was seconded by Commissioner Harrington. Motion carried unanimously.

Public Comment – Joan Hawes, 318 First Street, Broadway, NC
Mrs. Hawes informed the Town Board that she had heard several comments about the Town's Christmas lights. She asked that they consider purchasing new lights for next Christmas.

Shelton Ennis, with Joyce & Company, presented the audit highlights for fiscal year 2015-2016. The audit opinion was modified, which means the audit was clean. 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, 2016.

Mr. Ennis reviewed the main items in the financial statement. Cash Balances at year end increased \$131,000 over prior year. Cash Balances remain at \$1,527,000. This included an increase as the result of the operations of the Town as well as money received from Powell Bill Funds (street paving and resurfacing). Powell Bill unused funds increased by \$30,000 for the year, and approximately \$200,000 of that is for Powell Bill restricted fund balance at year end for future use.

Governmental Fixed Assets decreased by \$37,000 during the year as a result of depreciation of capital assets and equipment the Town owns.

Water/Sewer Fund - Capital net assets decreased by \$99,000 as a result of depreciation, also.

In General Fund, the main operating fund, the total fund balance increased by \$23,000 to \$914,000 at year end. Of this balance \$625,000 is unassigned and unrestricted for use. There is an increase in Fund Balance of \$23,000 for the year as compared to an increase of \$54,000 prior year. Fund Balance was lower due to a \$50,000 transfer from General Fund to new town hall capital project fund. Overall, results were positive for fiscal year ending 2016.

Water/Sewer fund balances increased by \$55,000 as a result of operating profit for the year.

Overall change in net position was an increase of \$40,000 and not reflected in the cash balance increase is interest expense.

Ad valorem taxes are the primary source of revenue, and taxes amounted to \$380,000, which was up \$6,000 from prior year. The total valuation subject to tax was \$87,000,017. The Town's collection rate for property taxes is 99.14%. This percent is right on average with other towns the size of Broadway.

Long-Term Debt in the general fund decreased as a result of paying down existing debt, and there was no new debt issued. Water/Sewer had a pay down of \$70,000 in debt, leaving \$321,000 in long-term debt.

Mr. Ennis reviewed a finding of the audit, which is a repeat finding from last year, segregation of duties. Due to staff size, there is not a complete segregation of duties. This is a common finding among smaller municipalities. It is not cost effective to hire staff for a single function. The Town does have internal controls in place to minimize some of the risks involved.

The Town is in good financial condition, and Mr. Ennis thanked the Town staff for their help, as well as, Beth Kelly and the City of Sanford staff.

Town Manager Kornegay thanked Barbara Cox and Laura Duval for making sure the Town is in great financial shape. He also expressed his thanks to Beth Kelly and Glenda Rosser with the City of Sanford for their assistance. Mr. Kornegay told Mr. Ennis that Joyce and Company have been great to work with, and he appreciated their hard work as well. The Town Manager reviewed some additional audit numbers with the Town Board. In General Fund overall revenue decreased approximately 2% or \$17,082. Compared to budget, revenue was \$4,731 (0.5%) higher than budgeted. Expenditures decreased 7.5% or \$62,257. Compared to budget, actual expenditures were \$181,801 (19.0%) less than what was budgeted. Fund Balance increased by \$23,150 in fiscal year 2015-2016. Unassigned balance is 73% of our 2016-2017 budget.

In Utility Fund overall revenue increased approximately 4.2%. Compared to budget, actual revenue was 2.9% higher. Expenditures increased by 8.7%. Compared to budget, actual expenditures were 15% less than budgeted.

Mayor Andrews echoed Town Manager Kornegay's remarks about the Finance Director, Clerk and the City of Sanford for their help with the audit process. He appreciates all of their hard work.

USDA is in the process of reviewing the final drawings for the new Town Hall. They advised that approval would take from two to four weeks. The Town Board is required to approve the final plans before the project is put out to bid. Commissioner Davis made the motion to approve the final comprehensive drawings for the Town Hall project. The motion was seconded by Commissioner Green. Motion carried unanimously.

Mayor Andrews reviewed the charges for the streetlight expansion. There is a one-time charge of \$1,310.99, and the proposed monthly charge is \$332.06. It would add more lighting in the darker area between the barber shop and Dollar General. Lumination would be increased in the lights along the business district. Commissioner Harrington made the motion to approve the streetlight expansion in the downtown area. The motion was seconded by Commissioner Woody Beale. Motion carried unanimously.

Under Manager's Report, Mr. Kornegay stated once USDA has approved the final drawings, the Town Board will have to approve putting the project out to bid. The goal is to get on the March agenda with the LGC, so a special meeting may be called.

The Town Manager advised that John Maxwell, CEO of Central Carolina Hospital, would like to make a presentation on the hospital services at a future Town Board Meeting.

There were no major disasters during the winter storm. Craig Buchanan had the tractor ready to go in the event it was needed.

Under Commissioner Comments, Commissioner Woody Beale mentioned that he has seen several cracks in many of the Town streets. He requested that Town Manager Kornegay check on this issue. The problem may be solved by sealing the cracks.

Commissioner Harrington expressed her thanks to the Town Manager, Barbara Cox, Beth Kelly and Laura Duval for their hard work during the audit process.

Mayor Pro Tem Beal echoed Commissioner Harrington's comments. He also added that he would attend Triangle J Wednesday night. The Mayor Pro Tem mentioned it was good to see Town Counsel at the meeting. He had knee surgery two weeks ago.

Commissioner Green was appreciative of the work done by the office staff and Beth Kelly. She also stated she was pleased with the audit, and it's a good reflection of what the staff do every day. Commissioner Green expressed her condolences to Mayor

Andrews, his wife and family and wished Commissioner Davis success with his upcoming surgery.

Commissioner Davis thanked Joan Hawes for her comments on the Christmas lights and agreed with her 100%.

Under Mayor Comments, Mayor Andrews thanked everyone for their kind expressions of sympathy in the passing of Lori's mom. It really meant a lot to her.

The Mayor reported that he spoke at the Woman's Club last Monday night. He had the opportunity to discuss what the Town is working on now and some prospective projects going forward.

Mayor Andrews advised the Town Board he was unable to attend the last SAGA Board Meeting, and there has not been a recent TARPO meeting.

The Mayor asked the Board to consider a time change for their monthly meetings. No action will be taken until they've had time to think about it.

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 Commissioner Davis. Motion carried unanimously to adjourn.

Donald F. Andrews
Mayor

Laura K. Duval
Town Clerk