

TOWN OF BROADWAY  
BOARD OF COMMISSIONERS  
MEETING MINUTES

MAY 20, 2019

A scheduled meeting of the Board of Commissioners was held on Monday, May 20, at 6:00 p.m. at the Council Chamber, 103 North Main Street, Broadway, North Carolina.

Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, Woody Beale, Lynne Green, Janet Harrington and Jim Paschal. 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. Commissioner Green 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 Mayor Pro Tem Beal. Motion carried unanimously.

Consent Agenda – Approval of April 10 All Boards Meeting Minutes, April 22 Meeting Minutes, April 25 Budget Work Session Minutes and April Financial Statement. Commissioner Paschal made the motion to accept the Consent Agenda as submitted. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

Town Manager Kornegay presented the budget message for fiscal year 2019-2020. The budget was prepared in accordance with NCGS 159.7, The NC Local Government Budget and Fiscal Control Act. All funds within the proposed budget for the General and Enterprise Funds are balanced, and all revenues and expenditures are identified for fiscal year 2019-2020.

Annual installments in the amount of \$25,942 will begin this fiscal year to pay off the USDA loan for the new Town Hall/Police Department facility. The Town will continue to work with Withers-Ravenel on the road widening project and receive reimbursement from NCDOT for all incurred expenditures related to this project. New projects will include: state mandated NIBRS software for the police department, required improvements to Watson Lake Dam, sidewalk improvements to S. Main Street with DOT grant funding coupled with 20% Town contributions, and digitizing of water and sewer lines. The Town Manager is recommending a 2% COLA for employees.

General Fund Revenue - The current tax rate is forty-nine cents (.49) per \$100 valuation. Mr. Kornegay is recommending that the tax rate remain the same. This is a reval year in Lee County, and the estimated revenue neutral rate of forty-eight cents (.48) per \$100 valuation would result in a cut of \$11,000 to our budget. Such a reduction

would cause a severe strain on maintaining current service levels. The rate of forty-nine cents remains adequate to meet all needs this fiscal year. An example of what our tax rate costs a citizen: an individual owning property valued at \$150,000 would receive a tax bill of \$730. At a collection rate of 99.25%, estimated property tax revenue this year is \$453,085.

Sales tax for the coming fiscal year is budgeted at 2% growth based on figures provided by the State and Lee County. No changes are expected to our interlocal agreement with the county set at \$90,000. One significant item is the projected increase in revenue generated by sanitation fees. This projected increase in revenue is based on a recommended \$12.70 per month sanitation fee. This is an increase of \$1 from the previous fiscal year. This fee increase will be used to offset the additional \$1 per recycling container Waste Industries is charging the Town due to the increase in their cost to sort recyclables. Powell Funds and other state contributions are projected to remain at similar levels compared to the previous year.

Our fund balance remains healthy at 64.5%, however, we would like to work toward increasing it to the 70% threshold. The fund balance dropped with the purchase of sewer infrastructure at the end of West Harrington Avenue.

General Fund Expenditures – Several projects are coming up this year. Watson Lake Dam will be surveyed and drained at an approximate cost of \$33,000, which is budgeted in Parks and Recreation. The NIBRS software will be purchased for the police department and is budgeted at \$19,000. The Town will be fully reimbursed for the water and sewer main relocation for the S. Main Street road widening project. The S. Main Street sidewalk project requires a 20% match by the Town, which will come in around \$20,000. Powell Funds will be used to cover our portion.

Water & Sewer Fund – This is the last year of our contract with Utility Services for tank maintenance. The interior and exterior rehab has been completed. This year a final inspection and report will be completed. With assistance from Triangle J we hope to apply for grant funding, which will allow us to digitize water and sewer lines. The General Fund will continue to be reimbursed at a rate of \$10,000 per year for the purchase of sewer infrastructure. With our debt service scheduled to be paid off within two years, coupled with the conclusion of our tank maintenance program, we can plan and anticipate for future improvements to our infrastructure. For the sixth straight year a rate increase will not be proposed.

This budget proposed by the Town Manager is neither final nor is it necessarily a reflection of what will be approved by the Town Board. The Town Board will undertake a thorough study of this proposal and arrive at what it considers the proper program of revenue and expenditures for the Town Government for the coming year.

Mr. Kornegay reviewed the summary breakdown of General Fund Revenues and Appropriations at \$942,096, as well as, Utility Fund Revenues and Expenses at \$381,000 for a total budget of \$1,323,096. The annual budget ordinance expenditures and revenues were broken down according to departments for General Fund and Utility Fund. The total tax rate per \$100 valuation is \$.49. Water and sewer rates, sanitation

fee and cemetery fees are levied at the rates established and shown on the schedules presented. The rate schedule shows an increase in the sanitation fee and the out-of-town rental for the community building. All other rates remain the same as previous year. The Town Manager is authorized to transfer budgeted amounts within the departments but any revisions that alter total expenditures must be approved by the Town Board and made a matter of record in the minutes. Copies of the Budget Ordinance shall be furnished to the Town Clerk to be kept on file for direction in the collection of revenue and expenditure of amounts appropriated.

Even though the tax rate will remain the same at \$.49, the reval makes it increase one cent higher. Mayor Andrews reiterated that a revenue neutral tax rate of \$.48 would result in an \$11,000 cut from the budget.

Mayor Andrews opened the Public Hearing on the proposed budget for FY 2019-2020. No one had questions or comments on the budget. The Mayor closed the Public Hearing. The budget will be presented for adoption at the June 24 meeting.

Town Manager Kornegay and Counsel Love reviewed the Notice of Sale and Resolution for the Public Auction of the old Town Hall/Police Department. The notice must be published in the newspaper 30 days prior to the auction. Lisa York has agreed to be the auctioneer and has advised that the Town would be responsible for covering advertising costs. The bidder is responsible for paying her. The auction will be scheduled for the end of June. The Town Board will have 30 days to accept or reject the bid. The parking lot is not included in the sale. It will continue to be used for public parking. The county appraised the building at \$150,000. The Town Board agreed that the bidding should start at \$10,000. The cost of tearing down the building was estimated at \$7-8,000. Remodeling was estimated at \$150/sq ft. That estimate does not include asbestos abatement. The Town Board has no interest in retaining the building. Mayor Pro Tem Beal made the motion to declare the old Town Hall/Police Department building as surplus, approve the resolution for public auction and direct the Town Manger to work out the specifics of the public auction. The motion was seconded by Commissioner Paschal. Motion carried unanimously.

The Town Manager presented the audit contract with Joyce and Company for approval. He explained that the contract has been extended for an additional two years. However, the contract must be approved annually. The contract states the audit will not exceed a cost of \$10,710 and writing the financial statements will not exceed a cost of \$2,040. Commissioner Harrington made the motion to approve the audit contract with Joyce and Company. The motion was seconded by Commissioner Green. Motion carried unanimously.

Mayor Andrews advised that DOT is offering \$25,900 for the welcome sign at Broadway Road and Dixie Farm Road. The sign cannot be moved until Duke Energy moves the power lines. That may not be completed until 2021. The Town received a quote of \$6,000 for moving the sign, but there is no guarantee the sign will stay intact. The Town Board agreed \$25,900 is enough to cover the cost of a new sign if needed. Commissioner Paschal made the motion to accept DOT's offer of \$25,900 for the

welcome sign. The motion was seconded by Commissioner Harrington. Motion carried unanimously.

A budget amendment was presented for the purpose of replacing the Town Clock that was damaged by the car accident. It was decided to purchase the Madison clock, which now costs \$16,540, from Vernon Clock Company. A quote of \$2,160 was received from Custom Monument to clean and move the granite monument back into place. Wright Masonry will redo the brick at an approximate cost of \$500. The clock was insured so \$12,000 will be paid by the insurance company, and \$7,200 will be taken from Fund Balance. Commissioner Harrington made the motion to adopt the budget amendment appropriating a total of \$19,200 from Insurance Proceeds - \$12,000 and Fund Balance - \$7,200 to Parks and Recreation. The motion was seconded by Commissioner Green. Motion carried unanimously.

Manager's Report – Town Manager Kornegay advised that the paving of Holt and Church Streets will be completed by June 30. Previously, the bid was approved and awarded to RLT.

Mr. Kornegay received the results from the borings late today. The report is a 35 page document, which he needs to review in further detail. The Watson Lake Dam is subpar, but it is not as bad as was originally thought. The real issue is in the pipes. The earthen part of the dam is not as bad as the inspectors first suspected.

Mayor Andrews advised that Emergency Management has a robot for finding drowning victims. They brought the robot here and put it in the lake. They were able to find the door but could not find the knob. The robot took pictures, which will be sent to the consultant.

Commissioner Comments – Mayor Pro Tem Beal reported that Triangle J held a sandbox at the last meeting. They divided into five groups and discussed the top five long-term issues: 1) aging infrastructure, 2) flooding and storm drains, 3) economic development, 4) data information security, and 5) emergency communications. Hackers have been asking for \$45,000 – \$60,000 to release computer information that they have blocked. The Town needs to invest in virus protection that guards against ransomware.

The most recent landfill meeting was cancelled. They wanted to place the landfill in northwestern Lee County near the Deep River. This location would indirectly affect the Town's water. The structure would be 250 feet tall. They may decide to make it smaller. The Town Board needs to keep up to date on this issue.

The Mayor Pro Tem and the Town Manager met with representatives of Triangle J to discuss obtaining grants for digitizing the water and sewer lines and the cemetery. They felt as though the Town would probably qualify for some funding of these projects.

Commissioner Harrington expressed her thanks to Dustin and Barbara for all of their work on the budget.

Commissioner Woody Beale questioned if the sweepstakes business is located inside the Town Limits. It is actually located in Harnett County, but this property was annexed by the Town many years ago. Mr. Beale inquired if the business is legal, and it was explained to him that the sweepstakes establishment is legal. Counsel Love explained that laws had been passed years ago to prohibit games of chance, but the technology keeps changing to get around the laws. There are two types of machines that are protected, and this particular business has the protected machines. These sweepstakes are considered games of skill rather than games of chance. Chief Hinnant has been and will continue to monitor this business. If the Town Board decided to de-annex this property, approximately \$4-5,000 would be given up in tax revenue.

Commissioner Paschal has received questions about the noise ordinance because modified trucks rattle windows when driving by homes on Smith Drive. The Town Manager will ask the police department to be more vigilant in this part of Town.

Commissioner Green inquired if the taco truck on South Main is properly permitted. She was advised it is properly permitted by the health department. The UDO allows the truck to be there a maximum of ten consecutive days with the consent of the property owner. It can stay away for one day then come back for another ten days.

Mayor Comments – Mayor Andrews mentioned that Crossroads Ministries asked about having a fireworks display for the 4<sup>th</sup> of July. The Mayor obtained the information from Lee County and has passed it along to the church. A fireworks display will require approval by the Town Board.

A Memorial Day Service will be held on Monday, May 27, at the NCVN. The service will start at 10:00 a.m.

The Mayor advised that the interior and exterior of the community building has been painted, which has freshened up the building. New lights have been installed in the women's restroom, making it much brighter now. No further work will be done on the community building this year.

The Public Works Director informed Mayor Andrews that there is a hole in the roof of the front garage. The roof needs to be repaired as soon as possible.

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 Paschal. Motion carried unanimously to adjourn.

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Donald F. Andrews  
Mayor

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Laura K. Duval  
Town Clerk

