

TOWN OF BROADWAY  
BOARD OF COMMISSIONERS  
MEETING MINUTES  
NOVEMBER 27, 2023

A scheduled meeting of the Board of Commissioners was held on Monday, November 27, at 6:00 p.m. in the Council Chamber, 103 N. Main Street, Broadway, North Carolina.

Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, April Collins, Lynne Green, Teresa Kelly, and Jim Paschal. Also, Town Counsel Jimmy Love, Town Manager John Godfrey, Finance Officer Gail Brown, and Town Clerk Laura Duval were present.

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

Mayor Andrews introduced a new member of the Town's admin staff. Renee Saville will begin training on December 4 with Town Clerk Duval. Ms. Saville will eventually be replacing Ms. Duval who is retiring in February. Ms. Saville is a Johnston County native and now lives on Sion Kelly Road. She has many years of experience in banking and administration. The Town is very excited to have her join our team.

Mayor Andrews requested an addition to the agenda. Under New Business, Item B. December Meeting Date needs to be considered due to Christmas Day. Commissioner Kelly made the motion to accept the Agenda as amended. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

Consent Agenda – October 23 Board Meeting Minutes and October financial statements. Commissioner Paschal made the motion to accept the consent agenda as submitted. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

New Business – Shelton Ennis, with Joyce & Company, presented the highlights of the FY 2022-2023 audit. Mr. Ennis advised the Town received a clean opinion or unmodified opinion. This opinion means that the financial statements present fairly in all material respects the financial position and the results of operations and cash flows of its proprietary fund types of the Town of Broadway for the year ended June 30, 2023. Cash balances (operations and balance sheet items) increased \$396,000 over prior year. The balance at year end was \$2,581,000 as a result of operations and change in balance sheet items that had various impacts on the ending cash balance.

Fixed assets of the Town - Governmental fixed assets netted depreciation such

as police equipment, vehicles, and the Town Hall building. These are long-lived assets that depreciate over their useful lives. The balance of Governmental fixed assets increased \$33,000 over prior year due to the purchase of two new vehicles in 2023. Proprietary (water/sewer fund) net fixed assets decreased \$107,000 as a result of depreciation, and no new fixed assets were purchased. General Fund is the main operating fund of the Town. The fund balance in General Fund increased by about \$525,000 over the prior year ending at \$1,805,000 as a result of ARPA funds that were expended primarily on salaries and personnel costs. Other revenues increased by about \$250,000 during the year as a result of Local option sales tax, cemetery receipts, festival receipts, and property tax revenues that contributed to the other revenues increasing. Unassigned fund balance in the general fund is the portion of fund balance that can be used for any purpose that the Board desires. That amount increased from \$850,000 to \$1,397,000 at year end. The water & sewer fund cash balances increased by \$121,000 over the prior year. This increase was largely due to the ARPA funds of \$82,000 that were transferred over from that special revenue fund to the Water/Sewer Fund to assist with covering payroll and related expenses. Change in net position for the Water/Sewer Fund was an increase of approximately \$2,000. Ad Valorem taxes for the Town are one of the primary revenue sources. The revenues from tax collections increased by about \$72,000 from the prior year as a result of an increased tax rate from \$.49 per \$100 valuation to \$.53 per \$100 valuation. The valuation subject to tax showed an increase of approximately \$6.4 million to \$108 million dollars at fiscal year end. The collection rate of 98.83% was down about 50 basis points from prior year, but still compares favorably to towns of similar size to Broadway with an average of about a 98% collection rate. Long-term debt that the Town uses to finance fixed assets increased about \$31,000 over prior year as a result of financing a new public works truck and also some equipment purchases via leases. Water/Sewer Fund does not have any long-term debt.

The single finding is related to segregation of duties. This is a recurring finding for the Town that has been in place since Joyce & Company first contracted with the Town for the audit eight years ago. There is a lack of segregation of duties involving custody of assets, approval of affecting those assets, recording information in the financial statements, and execution of the transactions. Ideally, you would want a separate person doing each of those internal control things. It's a common finding for small towns with small staff sizes. The Town has taken steps to remedy this finding by the Mayor and Town Board reviewing checks written and the bank reconciliations. The ideal remedy for this finding would be hiring additional staff which is not cost effective for the Town. That is the only finding, which is a significant deficiency. That is less severe than a material weakness, which is the stronger.

Mr. Ennis expressed his thanks to John, Gail, and Laura for all their help as well as the finance staff at Sanford for assisting with work papers and preparations of financial statements. Commissioner Collins thanked Mr. Ennis for the work he does.

Mayor Andrews asked if contracting with the outside accountant helps with segregation of duties. Mr. Ennis stated it helps but the goal is to help prevent any malfeasance. Having the outside accountant review and prepare bank reconciliations and look through the general ledger activity is very helpful. Mayor Andrews also thanked

John, Gail, and Laura for all their hard work and Beth Kelly and her staff with the City of Sanford. This year was a transition year due to the retirement of the Town's former finance officer and the year was challenging at times, but Mr. Andrews appreciates the City's support and the Town staff for providing all the information needed for the audit.

The regularly scheduled December Town Board Meeting falls on Christmas Day, so Mayor Andrews recommended changing the meeting to December 18 at 6:00 p.m. Commissioner Paschal made the motion to hold the meeting on December 18. The motion was seconded by Commissioner Green. Motion carried unanimously. Oaths of office will be administered to the Mayor and Commissioners Green and Kelly. The organizational meeting will also be held.

Manager's Report – Town Manager Godfrey reported interviews were held for the Town Clerk position on 10/23/23 and 11/14/2023. The interview committee consisted of Commissioner Green, Town Clerk Duval, and Mr. Godfrey.

The Town Manager picked up two four-drawer file cabinets for Town Hall from Central Pines in Durham. Central Pines sent out a notice of equipment that was available on a first come first serve basis due to renovations.

On 10/25/23 Mayor Andrews, Town Clerk Duval, Public Works staff, and Mr. Godfrey attended the AIA Scoping/Kickoff Meeting presented by Withers-Ravenel at Town Hall. They will be conducting an assessment of the WWTP.

Town Manager Godfrey completed the annual Powell Bill Revenue report on 10/30/23.

All fire extinguishers owned by the Town were inspected and serviced by Mr. Harry Smith with United Fire & Safety Equipment Co. There were no issues noted.

Public Works Tech Jacob Melvin attended the first NCDOT R-3830 Project Meeting (Road Widening Project) on Dixie Farm Road. Monthly meetings will be held until completion of the project. The Town will ensure representation is available at each meeting.

Police officers Matthew Stone and Devan Gross attended and completed Crisis Intervention Training this month.

Town Manager Godfrey expressed his thanks to Finance Officer Gail Brown for Working intently and diligently with Joyce & Company, City of Sanford accounting staff – Bethany Stephens, Benton & Whitaker - Ashley Whitaker, CPA, and Town Clerk Duval to complete our annual audit for the Town of Broadway. There is no way to calculate the hours and effort it takes to complete this process, and Mr. Godfrey is most appreciative of all who persevered.

Commissioner Comments – Mayor Pro Tem Beal echoed appreciation to admin and finance staff for their work on the audit.

Commissioner Collins thanked the police department for their efforts in curtailing the speeding problem. She has heard many positive comments about the speed signs. They seem to be causing drivers to slow down. Commissioner Collins announced the luminary event at Watson Lake Park on December 2 from 4:00 p.m. – 7:00 p.m., and the Broadway Lions Club will host the Christmas Parade on December 9 beginning at 2:00 p.m.

Commissioner Kelly mentioned the welcome sign at Seminole is unreadable due to fading. Mayor Andrews advised replacement of the sign is a work in progress. It can't be re-lettered but requires replacement. VLO will be contacted the first of the year about replacing the sign. The Mayor stated the posts are cracked and need to be replaced as well.

Commissioner Green welcomed Renee Saville to the Town of Broadway staff. She also expressed her appreciation to Beth Kelly and the financial staff with the City of Sanford.

Mayor Comments – Mayor Andrews reminded the commissioners that they will have a spot reserved for riding in the December 9 Christmas Parade and to let him know if they plan to participate.

Friends of the Park and the Broadway Lions Club are hosting the luminary event on December 2 under the leadership of Commissioner Kelly.

Mayor Andrews mentioned the Veterans Day Ceremony had a great turnout despite the weather. The DAV Auxiliary did a great job hosting the event.

The NC DAV Monument is open seven days a week from 9:00 a.m. until 5:00 p.m. The doors automatically lock, and the BPD checks the facility at each shift change.

Mayor Andrews advised the Town Board that a work session will need to be held in January.

The Mayor thanked everyone for their work on the audit. The City of Sanford is a great resource for the Town, and Broadway is fortunate to have a great relationship with the City.

The Mayor entertained a motion to go into closed session per G.S. 143-318.11(a)(3) to preserve attorney - client privilege. Commissioner Paschal made the motion to go into closed session. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

After returning to regular session, Mayor Andrews announced there will be no tree lighting ceremony this year due to the small number in attendance. All Town lights will be turned on December 2 at dusk in conjunction with the luminary event. There will be Christmas music, a hot chocolate and coffee truck, and a movie screen for the kids at the Watson Lake Park event. Town Christmas wreaths were put up today, and

banners will be put up Tuesday. The street sweeper is scheduled to come Friday before the parade.

With no further business to come before the Town Board, Mayor Pro Tem Beal 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