

MINUTES OF THE SPECIAL MEETING OF
THE TOWN BOARD OF COMMISSIONERS
TOWN OF WILLIAMSTON, NC

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January 29 – January 30, 2016

The Board of Commissioners of the Town of Williamston met in special session on Friday, January 29, 2016 at 7:00 p.m. and Saturday, January 30, 2016 at 8:30 a.m. in the Conference Room at the Northeast Technology and Business Center in Williamston, NC.

Present Mayor: Joyce Whichard-Brown
Commissioners: Al R. Chesson, William Coffield, Ronell Rodgers, Junious J Horton and Jerry Knox
Town Administrator: Eric M. Pearson
Town Clerk/Administrative Assistant: Christina Craft
Finance Officer: Linda B. Harrison

Friday, January 29, 2016

WELCOME

The Mayor welcomed everyone. Commissioner Chesson offered the invocation. The Board was in agreement that the Planning Retreat would help them plan responsibly to meet the current and future needs of the Town.

The Mayor asked if there were any adjustments to the agenda. The Town Administrator requested that the removal of the Curfew Ordinance from the Agenda and the addition of two items: the Boys and Girls Club and a parking spot. The Board concurred.

BOYS AND GIRLS CLUB

The Mayor reported that the Boys and Girls club is interested in establishing a Boys and Girls Club in Williamston. The club plans to use the EJ Hayes building which will cut expenses tremendously. The board discussed possibly funding the club as there is a problem with children being out after hours. The Boys and Girls club is well known for doing good things for young people and will help get the children off the streets. Robersonville has opened a Boys and Girls Club. The club needs approximately \$50,000 for the Williamston club. Commissioner Chesson reported that, while the organization is a great organization, the Club requires a three year commitment and the Town budget will need to be reviewed before any commitments can be made. The budget last year was extremely tight. A budget from the Club would add some clarity on the sustainability of the club. Churches are also donating to the Club. The Board concurred that they will attend the Grand Opening of the Boys and Girls Club in Robersonville. The Town Administrator reported that the financials will be reviewed and pencil in possible donations for the Club in the upcoming budget.

PARKING

The Mayor had requested a parking space to be assigned to her the drive thru side of Town Hall. She is not comfortable parking in the alley parking area behind Town Hall. Since parking has not been an issue on the drive-thru side of the building, she requested the first available space on that side so she will be guaranteed a space to park. The Board concurred.

MARKETING

Commissioner Rodgers questioned as to future marketing in the Town with proper signage to encourage more downtown visitors. The Town Administrator reported that Brent Kanipe is currently researching way-finding signs for that purpose. Signs promoting the Bob Martin Center would be beneficial as the center is nationally known. Commissioner Chesson reported that the Town had historically wanted the "Town of Williamston" verbiage and horse logo on the newest water tower.

MORATOC DEVELOPMENT

Commissioner Rodgers questioned future development for the waterfront properties to clear land and build restaurants and other businesses. Commissioner Chesson reported that Brent Kanipe has worked very hard to

develop the property and has received grants to clean up the area. The long term goal is to finish cleaning the property and tie the boardwalk all the way to the Moratoc Park. Mr. Kanipe has worked very hard to acquire the grant funding for the existing boardwalk. The Moratoc Park was also funded by a grant obtained by Mr. Kanipe. The next phase of expanding the boardwalk will cost roughly \$1 million to complete. Developing this area is a long process.

SKEWARKEE CANAL DRAINAGE FUNDING OPTIONS

The Town Administrator explained that the Skewarkee Canal drainage project was undertaken about 8-9 years ago at the CSX railroad overpass on West Main Street. The Town had secured about \$600,000 in grant funds and had additional funding earmarked for the project. About 25%-30% of the project was completed but while boring underneath the railroad overpass, the contractor encountered a problem and caused a collapse of the trestle. Subsequently, CSX put a stop to the project.

Since that time the Town, under the expertise of Rivers and Associates has been seeking a way to resolve the issue. The original grant funding is no longer available and a good portion of the additional funding earmarked for the project has been depleted due to attorney fees and engineering costs. CSX has also stated they will return the project area to its original state if the Town does not move forward and would bill the town for the associated costs. Last year, the Board gave direction that they wanted the project completed instead of returning the project to its original state. CSX has agreed to allow the open cut method proposed by Rivers and Associates to complete the project but the Town needs funding to go forward with the project.

A \$250,000 grant has been secured with the assistance of Senator Smith-Ingram and Representative Willingham. There are many storm water grants but those are for Best Management Practices (BMP). This project is solely for a volume issue so it does not qualify for BMP storm water grants. The only avenue to secure funding is to borrow the money which will be close to \$1 million. The board gave approval several months ago to apply for a USDA loan. To obtain a loan from the USDA, it would require the Town provide a dedicated revenue source for repayment of the loan. Property tax is not considered as a dedicated revenue source as the revenue is in the general fund and could be used for other purposes at the Board's discretion. The best dedicated funding source would be to set up a storm water enterprise fund with a set amount to be billed monthly.

Per Board direction, Rivers and Associates were hired to do a utility study to see what the town would have to charge and how to create a storm water utility fund. The intended purpose of the study is to calculate an average impervious area value Equivalent Residential Unit (ERU) based on residential zoning densities within the Town of Williamston corporate boundary, extend the ERU to other agreed developed land use categories subject to storm water fees, develop a structure for a system of charging fees to facilitate financing storm water utility activities based upon annual budgeted costs and agreed developed land use categories subject to storm water fees, calculate a storm water fee and develop a written summary report. Storm water program funding may include administration and financial management, operations and maintenance, regulation and enforcement, engineering and planning, capital investment, water quality, public involvement and education, technology, and other miscellaneous activities. The intent for the budget considerations of this study focused on proposed annual debt services, required 10 percent annual debt service and 6 percent of budget as uncollected revenues (bad debts). The early preliminary cost opinion for the Skewarkee Gut Canal project was estimated at approximately \$1,300,000, of which \$975,000 is anticipated to be financed with a Revenue Bond purchased by the United State Department of Agriculture – Rural Development (USDA-RD).

The legal authority exists for the Town to develop a Storm water Utility Enterprise Fund and Storm water Utility Fee associated with the cost of storm water infrastructure. The fees should be applicable to only those properties within the jurisdiction of the town whose natural state has been altered by some form of development thereby creating man-made impervious areas and increasing the amount of surface runoff

resulting from precipitation. The initial annual expenditure is estimated at \$50,700. The categories associated with beneficial "use" and monthly Storm water utility Fees are residential use, small commercial use, large commercial use, and institutional use. The Town will need to adopt a Storm water Ordinance to regulate the new Storm water Utility Enterprise Fund.

The Town Administrator asked the Board which funding method they preferred from the options presented as a guaranteed funding method is required by the USDA. It was the consensus of the Board concurred with establishing a Storm Water Utility Fund and assessing a fee on the Water/Sewer bill as long as the fee will be offset with an equal or better decrease in the Water/Sewer bill.

HEALTH COVERAGE FOR COMMISSIONERS

Eric Pearson reported that there was an issue with all commissioners being treated equally in health insurance coverage. When an employee is eligible for Medicare, the Town reviewed how to handle the coverage for full time employees in this situation. There are three costs involved which include Part B, Part B – Plan F and Part D. Part A is provided at no charge for those eligible for Medicare. The issue falls with the Blue Cross Blue Shield Medicare Supplement Plan Part B, Plan F. The Medicare Supplement Plan F pays for the balance of Medicare approved charges that Medicare Part A and B do not. If one does not elect Medicare Part B, they are not eligible to get a Medicare supplement. Part B requires a monthly premium based upon household income that is taken directly out of the monthly social security check. This is optional for those eligible for Medicare and can go over \$300 a month. The Town pays for Plan F as approved by the Board in July 2011. This approval does not treat all the Board members equally as some are on Social Security as the Town cannot legally reimburse those costs. The Town can cover the Board members on the Town's health plan. Part time employees do not receive coverage but the Board is eligible as elected officials. Some commissioners have chosen to handle their own coverage and not take advantage of the Town's plan. If salaries were increased to cover the costs, then some members will be receiving more than others. The Board concurred that the Town continue with the Plan F and D without any changes or additional reimbursements.

It was the consensus of the Board for the staff to make no changes in the healthcare coverage for elected officials.

FINANCIAL OVERVIEW

The Town Administrator and the Finance Officer presented a comprehensive picture of the Town's finances.

The Town Administrator gave the following financial overview of the General Fund:

Revenue:

\$ 2,381,920	Available Fund Balance (includes \$8,880 in unreserved public safety funds)
\$ 5,907,872	Current Year Revenues
\$ <u>102,879</u>	Powell Bill Reserves
\$8,392,671	Total Available General Fund Revenues

Expenditures:

\$ 5,524,156	Current Operating Expenditures (less debt service and OPEB Transfer)
\$ 348,716	Total current Debt Service
\$ 35,000	Total OPEB transfer

After adjustments for budgeted contingency of \$15,826 and adjusted revenues over (under) expenditures, the projected remaining balance is \$2,500,625.

A net of \$15,826 is projected to be available to add to Fund Balance.

The Town Administrator gave the following financial overview of the Enterprise Fund:

Revenue:

\$ 6,964,451 Available Retained Earnings
\$ 4,785,363 Operating Revenue for Water and Sewer Services
\$ 27,589 Principal and Interest payments from General Fund
\$11,777,403 Total Available Enterprise Fund Revenue

Expenditures:

\$ 2,697,468 Water Sales
\$ 1,717,610 Sewer Sales
\$ 145,135 Water/Sewer Capital Projects
\$ 4,560,213 Total Expenditures

A net of \$252,739 is projected to be available to add to Available Retained Earnings.

A Financial Dashboard was presented showing FY 2014-2015 revenues and expenditures in the General Fund and the Enterprise Fund adjusted to the auditor's final financial report. The Financial Officer reported that the department directors did very well, staying within budget which is how the Town was able to move some money into the reserve fund. Powell Bill is listed separately for tracking purposes only. Those funds are General Funds. The Town has been frugal with Powell Bill funds as the funds are limited and can be used for other large expenses instead of borrowing funds if saved. The Powell Bill expenditures are reported to the State annually. A Financial Dashboard for the first 6 months of current FY 2015-2016 demonstrates that revenue and expenditures for both the General Fund and the Enterprise Fund have been reasonably projected.

The Finance Office reported on the status of the Accounts Receivable for utility billing. The Board authorized the movement from a 60 day billing to a 30 day billing which was fully implemented in January 2015. The amount of accounts receivable has started decreasing with the more aggressive approach. The Town Administrator noted that the older balances will be sent to the State as debt set-off which will allow some revenue to return to the Town from account holders' tax refunds.

VEHICLE AND EQUIPMENT REVIEW

The Town Administrator presented a review showing total mileage and age of the Town's vehicles. A similar review was presented showing total equipment hours are increasing as well. The average age of the Town's vehicles is also slightly increasing. A summary of fleet age, mileage and average equipment hours was presented showing mileage has increased each year and there has been a slight decrease overall in age and total equipment hours. Equipment lease option was reviewed but found not financially feasible.

FINANCIAL COMMITMENTS

The Finance Officer presented a review of the financial commitments for the Enterprise and General Funds. The Robersonville Connect liability has been moved to the Water Authority payments. There were several items, such as the chipper, River Landing, Fire/Code Enforcement vehicle and a recreation truck, were budgeted to be leased. These items were purchased from the general fund which has decreased the Town future debt payments. The process of borrowing money from the Enterprise Fund has recently been denied per the legislature. The Recreation Phase II will be paid in the 2015-2016 budgeted year.

Employee healthcare costs are rising with an anticipated 30% increase in premiums this year. The Town has been able to offset increased costs for providing insurance to the employees by increasing deductibles. To alleviate the impact to those employees who reach the full deductible, the Town has been budgeting to pay a portion of the deductible back to them. Over the last few years of higher deductibles, the Town has

budgeted compensation for 25 employees, but has had to provide compensation for no more than 13 employees.

POTENTIAL IMPACTS TO THE UPCOMING BUDGET

- Other Post Employment Benefits (OPEB)
The Town underwent a new actuarial review as required in the upcoming budget which is set to be completed by the next audit. The previous actuarial study showed that the Town needed to increase the funds in OPEB obligation instead of paying the obligation as it presents. Changes to reduce OPEB in 2013 for employees employed less than 11 years and employees hired after July 1, 2013 is believed to have decreased future OPEB obligations. The annual OPEB cost has decreased by \$22,389 compared to 2013-2014.
- Sales Tax
The sales tax is based on property assessments. The County will perform a property assessment in the upcoming year which will affect the sales tax reimbursement. If the property assessments increase, the sales tax reimbursement is also increased. Approximately 80% of the sales tax generated in Martin County is generated in the city limits of Williamston. The Town of Williamston receives 14% of the sales tax reimbursements and the County receives 80%. The Town's sales tax has remained fairly constant.
- License Plate Fee
There is a \$5 license plate fee annually on taxes to be added to the General Fund. Legislature has authorized an additional \$25 to be added to property taxes but the funds have to be placed towards vehicle related expenses such as street maintenance. This is an option and will be considered during the budget process.

CLOSED SESSION

At 10:04 p.m., it was moved by Commissioner Knox, seconded by Commissioner Horton and unanimously passed to go out of Open Session and into Closed Session pursuant to N.C.G.S. 143-318.11 (a) (6) for evaluation of the Town Administrator.

At 10:20 p.m., it was moved by Commissioner Chesson, seconded by Commissioner Horton and unanimously passed to go out of Closed Session and into Open Session.

ADJOURNMENT

There being no further business, the Mayor adjourned the meeting at 10:20 p.m.

Saturday, January 30, 2016

Present Mayor: Joyce Whichard-Brown
Commissioners: Al R. Chesson, William Coffield, Ronell Rodgers, Junious J Horton and
Jerry Knox
Town Administrator: Eric M. Pearson
Town Clerk/Administrative Assistant: Christina Craft
Finance Officer: Linda B. Harrison
Recreation Director: Allen Overby
Planning and Development Director: Brent Kanipe
Police Chief: Travis Cowan
Fire Chief: James B. Peele, III
Public Works Director: Kerry Spivey
Facilitator: Gregg Piburn

Absent None

WELCOME

The Mayor welcomed everyone. Commissioner Chesson offered the invocation.

Eric Pearson introduced Gregg Piburn who will facilitate the session. Mr. Piburn reported that he was a journalist and did first-person experiences and wrote about them. Some of those experiences included playing with the Denver Broncos at the training camp, bull-rider, and a police officer for a day.

He facilitated the planning session with a purpose of opening the airways of effective communication as the directors and board discussed relevant and/or difficult issues. The first portion of the session was to provide clarity as to the roles and responsibilities of key positions in the town's leadership to include the Board, Mayor, individual Commissioners, Town Administrator and the department heads. Clear communication brings good results, understanding, power, good environment and confidence.

Different types of communication discussed were rich light, breakthrough light, harsh light and false light. Rich light is when people openly, honestly and courageously address relevant and/or difficult issues promptly. Breakthrough light is when a crisis or a courageous communicator forces the group to discuss, without the masks on, a tough issue in a new, uncomfortable and honest way. Harsh light is when people display questionable motives and intimidating communication to win arguments, display power and/or belittle others. False light is when people hide behind figurative "masks" rather than convey true thoughts or feelings, because the real goal is to avoid conflict and discomfort at virtually all costs. Rich light is not always nice but leads to a better understanding and more things will be accomplished.

HIGH-LEVEL OBJECTIVES AND ASSOICATED MEASURABLE MILESTONE GOALS

Mr. Piburn reported that, while there are a billion things that will happen within the organization in the next two years, there are high-level objectives that deserve special attention. The two high-level objectives for the upcoming year are to fix the streets and increase number of industrial jobs.

In order to track the success of the goal to fix the streets, it is important to determining the scope of streets to be paved, identify specific streets and determine the funding structure by 12/31/16 for fixing streets in priority order. Take bids by December 31, 2016. By December 31, 2017, establish a scheduling structure for street improvement and a schedule.

Another high-level objective for the upcoming year is to increase the number of industrial jobs. The Town should have an updated marketing plan by December 31, 2016. Five percent growth in the number of industrial jobs by December 31, 2017 will show the positive growth anticipated.

Mr. Piburn requested that the Mayor and Commissioners imagine what they envisioned for the Town of Williamston in 10 years. These ideals included:

- The Town would have a more vibrant downtown.
- The town would be more beautiful and safe with people walking around carefree.
- The town would be drug-free and gang-free.
- There will be new industries for citizens to earn money and more places to spend their money.
- The young adults would return to live in the town.

The Department Heads had three budget requests for Board considerations: consider upward adjustments to staff salaries, consider enhancing long-term staff health benefits and invest in core services/facilities. Mr. Piburn requested questions from the department heads to the Board to provide clarity. These questions included: what is your vision and direction? What are your expectations? What are your existing concerns now regarding Departments?

Mr. Piburn reported that he will send a synopsis of the presentation in a couple days.

ADJOURNMENT

There being no further business, the Mayor declared the meeting adjourned at 3:14 p.m.

Submitted By:


Town Clerk

Approved By:


Mayor