

MINUTES
Snow Hill Board of Commissioners Regular Meeting
Monday February 8, 2010—7:00 p.m.
Snow Hill Town Hall
201 North Greene Street, North Carolina 28580

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The Snow Hill Board of Commissioners regular meeting convened at 7:00 p.m. on Monday, February 8, 2010 at the Snow Hill Town Hall with the following members present: Mayor Dennis Liles; Commissioners James Bizzell, Sr., Becki Scarborough, Geraldine Shackelford, Bobby Taylor and Roger Whitson. Others present were Town Clerk Michelle Strickland, Town Administrator Bob Clark, Town Attorney Brian Pridgen and Public Works / Utilities Director Dana Hill.

1. **Call to Order** – Mayor Liles called the meeting to order at 7:03 p.m.
2. **Prayer** – Prayer was offered by Commissioner Scarborough.
3. **Pledge of Allegiance** – The Pledge was led by Commissioner Whitson
4. **Roll Call** – Miss Strickland called roll. All members were present with the exception of Commissioner Bizzell, a quorum was declared. Miss Strickland informed the Board that she had not received any communication from Commissioner Bizzell.

Commissioner Bizzell arrived at 7:31 p.m. for voting.

5. **Consider Approving Meeting Agenda – Motion was made by Commissioner Scarborough, seconded by Commissioner Whitson to approve the agenda with tabling item 10b (Core Competencies Employee Bonus).**

6. **Consider Approving Meeting Minutes: January 27, 2010 and February 3, 2010 – Motion was made by Commissioner Scarborough, seconded by Commissioner Whitson and carried unanimously to approve the minutes of the January 27, 2010 meeting and the February 3, 2010 as written.**

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7. **Program:** Presentation of FY2008-9 Audit by Jay Parris of Barrow, Parris, & Davenport, P.A. – Jay Parris, CPA with Barrow, Parris, & Davenport, P.A. introduced himself to the new members of the Board and informed them that he had been doing the Town’s audit for quite a number of years. He ~~stated informed the Board~~ that the audit was completed in December and submitted to the LGC on January 14, 2010. Mr. Parris stated that the Town has received an unqualified opinion which was the highest that could be given. Mr. Parris went over his power-point presentation (a copy hereby incorporated by reference and made a part of these minutes) of highlights of the audit. Commissioner Scarborough asked for an explanation of the decline to zero from prior years in the amount “designated for

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subsequent year.” Mr. Parris explained that the figure for designated for subsequent years meant that we used none of the \$53,783 in the general fund available for balancing the 2009-2010 budget as had been the case in years past and that was a good thing. When speaking about the low fund balance of the general fund Mr. Parris stated that due to the monies fronted from the Town towards the Community Center project and actually receiving close to \$197,000.00 in August or September, the fund balance is now better than 5.89% as stated in the audit at the close of the fiscal year.

When asked by Commissioner Taylor, Mr. Parris could not tell the Board off hand why the fund balance percentage dropped from 2006 to 2007. He will let Commissioner Taylor know this information at a later time.

Mr. Parris informed the Board that the books had not been in the best shape in quite a number of years and that over \$100,000.00 had been spent in the last two years for contract bookkeeping services. Mr. Parris informed the Board that the cash reserves needed to be increased in the water/sewer fund.—That ideally the Town would need to be 100% funded in relation to the depreciation rate to be able to cover the aging water system. Mr. Parris feels that the water and sewer rates need to be looked at to not only provide a service but to make a profit to put aside in the fund balance. Mr. Parris also advises staying on top of tax collections which are below other communities of Snow Hill’s size.

Mr. Parris went over the material weaknesses that he found when doing the audit. The first material weakness stated that the Town did not have personnel in place to write the financial statements that his firm now provided. Mr. Parris stated that this was a typical finding, especially with small towns due to their lack of being able to hire staff capable of writing these statements due to cost.

The second material weakness stated that Town personnel should adjust account balances to reflect appropriate year-end balances. Mr. Parris stated that his firm had attempted to start the audit in August but the accounts and records had not been closed out. He advised the Board that when he ~~was~~ finally returned and able to do the audit he still had to suggest significant journal entries and that this had occurred over the past two or three years.

The third material weakness regarded segregation of duties and internal control. Mr. Parris stated that this was not uncommon with small staff and not a unique finding but it had to be put in the audit. He stated that there were no problems found, but it had to be pointed out.

The final material weakness dealt with budget over-expenditures. Mr. Parris stated that this could have been due to numbers being in bad shape or that items could have possibly been budgeted in the other line items. He informed the Board that some of this did not make it to the Board in a timely manner to make budget amendments. Mr. Parris advised the Board that even after the fact the correcting budget

amendments need to be entered to cover last year. Mr. Parris informed the Board that money could not be spent that is not budgeted, that a budget amendment needed to be made before the expenditure was made.

Mr. Parris spoke about the cemetery fund being self-restricted in the past and that with the new account structure it is not restricted anymore. ~~Commissioner Whitson asked Mr. Parris if he had ever reported to this Board a report of such a lack of mismanagement. Mr. Parris stated that he had given the audit report to the Board every year.~~ Mr. Parris informed the Board that if they had any questions to please let him know and that they need to take steps to have records auditable on time.

Motion was made by Commissioner Whitson, seconded by Commissioner Taylor and carried unanimously to accept the audit report presented by Mr. Parris.

7.8. Report of Officers:

a. *Mayor:*

1. Communication from the family of the late former Mayor Melvin Oliver – Mayor Liles shared a thank you card from the family of the late former Mayor Melvin Oliver for the flowers sent by the Town.
2. Greene County Chamber of Commerce – Mayor Liles informed the Board that Larry and Rebecca Pate would be reopening the Greene County Chamber of Commerce and would be speaking to the Town of Snow Hill Development Committee at their February meeting. Mayor Liles also informed the Board that there was a possibility that the coffee shop may be opening back up.

b. *Town Administrator:* Process for recruitment of Finance Officer – ~~Mr. Clark stated Mr. Clark informed the Board that there were three people who had offered help in the~~ the recruitment process ~~will depend on the as well as with a~~ job description that he plans to have Sharon Edmundson with the Local Government Commission ~~and Hartwell Wright with the League of Municipalities~~ review. ~~Mr. Clark informed the Board that there were three CPA's in the area authorized to provide local government non-audit services who had offered help in the town's bookkeeping and non-audit services.~~ The three ~~who have offered their help~~ are Earl Umphlett, CPA out of Farmville, John Anthony, CPA of Anthony & -Tabb out of Wilson, and Andrew Harris, CPA out of Greenville. Mr. Clark shared that they would be coming in this week to talk and look over the audit and letter from the Local Government Commission. Mr. Clark informed the Board that these firms were able to offer services for short and long term but we do not have a scope of services available yet. Mr. Clark requested that the Board give authorization to the Finance & Administration Committee to proceed with the reviews of the process at their meeting which will be held before the next regular Town Board meeting, Monday, February 15, 2010 at 5:15 p.m. Mr. Clark spoke about an interim arrangement for Finance Officer and informed the Board that this could be a member of the Board or staff. Mr. Clark recommends considering this

tonight as by state statute the Town had to have a Finance Officer. The Board discussed whom to appoint as Interim Finance Officer. Commissioner Whitson, Chair of the Finance Committee, agreed to serve if appointed as the Interim Finance Officer. Mr. Clark also informed the Board he had asked that Mr. Parris had looked over the closeout of last year that Michelle Grant had submitted and that Mr. Parris confirmed that it was done correctly.

The agenda was amended by consent to add item 10c as “Consider Appointment of Interim Finance Officer”.

9. **Report of the Boards, Commissions, Committees and/or Taskforces:** none

10. **Unfinished Business and General Orders:**

- a. Consider entering a 12 month subscription for “Accurint” tax payer finder services at \$130.00 per month – Miss Strickland informed the Board that she had spoken with LexisNexis regarding the possibility or partnering with Greene County in subscribing to their services and that they needed to check with their security department but there were concerns over this due to the sensitive nature of the data that could be accessed through Accurint.

Motion was made by Commissioner Taylor, seconded by Commissioner Whitson and carried unanimously to approve entering into a 12 month subscription for Accurint services at \$130.00 per month.

Mr. Clark informed the Board that the budget amendment for this expenditure would be presented in with the ~~major~~ housekeeping budget amendments that needed to be done.

- b. Consider approval of Core Competencies Employee Annual Bonus – tabled
 - c. Consider Appointment of Interim Finance Officer –**Motion was made by Commissioner Taylor, seconded by Commissioner Scarborough and carried unanimously to appoint Commissioner Whitson as Interim Finance Officer.**
11. **New Business:** Enter a work session to discuss finance/budget plan – Mr. Clark spoke to the Board about not having good numbers to work with for a true work session, he feels that it is premature to review before financials are complete. Mr. Clark handed out (a copy hereby incorporated by reference and made a part of these minutes) a copy of the adopted budget ordinance and budget worksheets for the present year. Mr. Clark spoke to the Board about whether water and sewer rates needed to be looked at and why funds were combined. Mr. Clark informed the Board that a rate study had been completed last year with assistance of the NC Rural Water Association, previously. The Board discussed the matter of non-profit organizations not having to pay a water and sewer bill unless they went

over the 4,000 gallon minimum usage. Commissioner Scarborough asked to go on record as saying that she is disappointed that the Board has to have this conversation at this time when a plan was already in place.

12. **Announcements and Public Comments** – Mrs. Sharon Ginn of the Greene County Museum came forward and informed the Board that through part of their Grass Roots program they would be having an artist at the high school for several days. Mrs. Ginn also shared with the Board information on a concert being held by Bryan Pollock at Calvary Memorial UMC on March 2, 2010. The tickets are \$10 each for the concert only and \$15 each for the concert and a meet the artist reception. Mrs. Ginn shared that the concert series will begin in the fall.

Mr. Jody Tyson stood and commended the Board for the proactive steps they are taking due to past administration. Mr. Tyson suggested that the Board look at the amount of money spent on contract labor.

Mayor Liles thanked Commissioner Whitson for stepping in as Interim Finance Officer.

13. **Adjournment – Motion was made by Commissioner Taylor, seconded by Commissioner Shackleford and carried unanimously to adjourn at 8:58 p.m.**

Dennis K. Liles, Mayor

Michelle Strickland, Town Clerk