

MINUTES
SNOW HILL BOARD OF COMMISSIONERS
WEDNESDAY, OCTOBER 26, 2011
201 NORTH GREENE STREET, SNOW HILL, NORTH CAROLINA

1. **Call to Order** – Mayor Liles called the meeting to order at 7:00 p.m. The prayer was offered by Commissioner O’Brien. The Pledge was led by Mayor Liles.
2. **Roll Call** – The roll was called by Cathy Webb. All members were present. A quorum was declared.
3. **Consider Agenda Approval** – Town Administrator, Dana Hill, asked that item #11 Closed Session be deleted from the Agenda and that Item E under Town Administrator Report be added to allow him to give an update on the Police Department. A motion was made by Commissioner Shackelford, seconded by Commissioner Taylor, and carried unanimously to approve the agenda as amended by Mr. Hill.
4. **Consider Minutes Approval – October 10, 2011** - A motion was made by Commissioner Taylor, seconded by Commissioner Shackelford, and carried unanimously to approve the minutes of October 10, 2011.
5. **Presentations – FYE 2011 Financial Statements – Jay Parrish** – Mr. Parrish informed the Board that the Report had been electronically submitted to the Local Government Commission last Wednesday and that it had not been approved but he did not anticipate any problems. He said that he would like to start out by saying that he wanted to commend the staff on the timeliness of the audit-they were able to finish by the end of August with the field work. It took them the month of September to prepare the reports. He said that this was the first time in many years that the audit had been submitted before October 31st. He said that they were able to get in early and that the records were in good shape, and the Town Staff was to be commended. He said that the Town received an unqualified opinion-which is the highest opinion you can receive. He started out going over the presentation that he prepared.
 - **Chart 1 –Fund Balance-** The chart shows a trend over the past several years and the Fund Balance has increased drastically.
 - **Chart 2-Undesignated Fund Balance-** He said that the state required you to have a minimum of 8% Fund Balance. He said that the Town was drastically low in 2009 and the following years and the fund balance in 2011 was 89.03%. He said that the state average of similar size towns is 66%. He commended the Town for turning the fund balance around.
 - **Chart 3 – Analysis of Revenues Over (under) Expenditures (Non-GAAP)** This chart show the trends in the general fund on the budgetary basis and shows the downward trend in 2007-2009 and an upward trend in 2010-2011 and there was actually a \$171,132 , but the amount that was transferred to the Community Center is not reflected in this figure,

so the amount in surplus is actually \$119,000.

- **Analysis of Revenues over (under) Expenditures (non-GAAP)**
He said that the water fund has increased nicely, as a result of the increase of rates. This \$105,166 is on the budgetary basis. This looks like the Town had a profit. But, looking at it as if it were a business, after factoring in depreciation and other things, there was a \$1278 loss. He said that the Town did exactly what they needed to do in raising the rates to fund the depreciation and start building some cash reserve. He commended the Town for this. He reiterated to the Board not to let the \$105,166 mislead them because really on the accrual basis there was a loss in the water fund. Mayor Liles asked Mr. Parrish if what he was basically saying that where the water rates are now are good and we were finally getting where we needed to be. Commissioner O'Brien said that we cannot go backwards-meaning lowering the rates. Commissioner Whitson asked if someone started conversation about lowering water and sewer rates at this time, would it be an advisable decision to make. Mr. Parrish said that in looking at Exhibit 8, that there was a loss.
- **Analysis of Cash vs. Accumulated Depreciation (Funded Depreciation)** The dark blue lines indicate all the assets. (10,331,452) The light blue lines represent the amount of depreciation that has been used up(4,589,851) on the assets. The assets are half used up. The yellow lines represent the cash. Ideally, the yellow lines should keep up with the blue so as you are using up the assets you will have the cash to replace them. He said that last year the Town replaced a pump for \$82,000 and with the increase in rates that help to fund the project and not have to borrow any money. He said that if the Town did not keep the rates that they have set that they would not have monies to fund the depreciation.
- **Property Tax Collection Rates** - The county collects the vehicle taxes and the Town collects the property taxes. The collection rate for the property taxes and vehicle taxes was 96.13%. The collection rate for Property taxes collected by the Town was 96.23% -at or about the state average. He commended the Town on the collection of the property taxes.
- **Property Tax Rate** - This graph shows the property tax rate. The Town's rate is \$.35 – the state average is \$.29. (just for comparison)
- The next chart (Chart 8) shows the total property tax valuation and the total levy. Mr. Parrish said that the re-evaluation of property was coming up in 2012 and that the rates may have to be looked at after the re-evaluation.

He said that this was just a short summary of the audit. He said that they had no difficulties encountered in performing the audit, no in-corrections in the statements, no problems with the management, no confrontations with the accountants and their work. He said that there were two small findings-1) Segregation of duties – with a town the size of Snow Hill there is limited Staff, it is not feasible two have more staff. 2) 2 Budget over expenditures Community Center Capital project –two lines items were overspent-but the

Total budget was not overspent. The Finance Officer will do an amendment to clean this up. He said that this was a clean report and he commended the Town for turning the fund balances around. He thanked the Town for their assistance during the audit and he said that it had been quite a while since they had come in and everything was ready and in order.

Mayor Liles said that he would like to say, with the Board and Dana and Cathy that things had really turned around. He said it was a good feeling to know where they were at. He said that he did not want to have to increase water and sewer rates, but that if you looked at the figures you can understand why we had to do it.

Mr. Barrow thanked the Town for their continued support to his company.

6. Report of Officers –

Mayor – Dennis Liles

- 1) Mayor Liles announced that the Sweet Potato Festival would be held October 27-29 and encouraged all to attend.
- 2) He also announced that the Veterans Ceremony would be held on 11-11-11 at 11:00 a.m. at the National Guard Armory and encouraged all to attend.
- 3) He mentioned that everyone needed to get out and vote because the liquor by the drink would be on the ballot again.

Town Administrator – Dana Hill

- a) **Revised Flood Plain Maps** – Mr. Hill said that the new Flood Plain Maps would be available in January, 2012.
- b) **Hurricane Irene Reimbursements** - All FEMA reimbursements have been filed and all insurance has been filed.
- c) **NLC Prescription Drug Discount Program** - The National League of Cities will be sending Prescription Discount Cards to the Town to be given to enable them to lower the cost of their prescription drugs by an average of 23%. There is no limit on how many times you use the card, 9 out of 10 pharmacies accept the card, it is free, no enrollment or membership fees, and all family members are covered.
- d) **Resolution – Sweet Potato Festival** – A resolution to permit the consumption of alcoholic beverages at the 2011 Sweet Potato Festival was presented.
- e) **Police Department Report** – Mr. Hill advised the Board that the interview process for the Police Chief had been finished. The panel will contact Mr. Hill on Monday and give him their choice of the candidates.

Town Clerk/Finance Officer – Cathy Webb

- a. **Budget Amendment III** – Mrs. Webb presented an amendment increasing the budget for repairs and maintenance to sewer pumps for \$3150, which was covered under the insurance.
- b. **Banking** – Mrs. Webb told the Board that some monies would be moved to First Citizens Bank in November.

7. Unfinished Business: NONE

8. Report of Boards: NONE

9. Public Comments – None

10. Action Items:

- a. **Consider Adopting Resolution Amending Committee Structure** (presented 10/10) A motion was made by Commissioner Whitson, seconded by Commissioner O'Brien, and carried unanimously to approve the resolution.
- b. **Consider accepting FYE 2010-2011 Financial Statements** – A motion was made by Commissioner Shackelford, seconded by Commissioner Whitson, and carried unanimously to approve the Financial Statements as presented.
- c. **Consider Adopting Budget Amendment III** - A motion was made by Commissioner Scarborough, seconded by Commissioner O'Brien, and carried unanimously to adopt the budget amendment.
- d. **Consider Adopting Resolution 2010-1026** - A motion was made by Commissioner Scarborough, seconded by Commissioner Shackelford, and carried unanimously to approve the 2010-1026 Resolution.

11. Closed Session – Personnel – Mr. Hill asked that this item be deleted from the Agenda.

12. Commissioner Comments – Commissioners Scarborough and O'Brien thanked the staff for a job well done on the audit report. Commissioner Whitson thanked the Board for the decisions that had been made and the great turnaround on the fund balances.

13. Adjourn – **There being no further business to come before the Board**, a motion was made by Commissioner Shackelford, seconded by Commissioner Scarborough, and carried unanimously to adjourn. The meeting adjourned at 7:40 p.m.

Mayor

Clerk

