

MINUTES OF MIDWAY TOWN COUNCIL REGULAR MEETING HELD ON OCTOBER 2, 2017 AT 7:00 P.M. IN THE COUNCIL CHAMBER AT MIDWAY TOWN HALL, 426 GUMTREE ROAD, MIDWAY, NORTH CAROLINA

CALL TO ORDER

Mayor Pro Tem Mike McAlpine called the meeting to order and welcomed everyone present.

Pastor Jonathan Goodman of First Baptist Church, 404 Welcome-Arcadia Road, Lexington, NC gave the invocation and led in the Pledge of Allegiance prior to the opening gavel.

Councilors present were: Jackie Edwards, Keith Leonard, Mike McAlpine, Robin Moon, and Todd Nifong. Absent: Mayor John Byrum. Town Attorney Jim Lanik, Town Clerk Linda Hunt and Deputy Clerk Tammy Robertson were present.

Each Councilor had been furnished an agenda prior to the meeting.

No members of press were in attendance.

APPROVAL OF MINUTES

On motion by Councilor Todd Nifong, seconded by Councilor Jackie Edwards, Council voted unanimously to approve the minutes of the September 5, 2017 Town Council regular meeting as presented.

On motion by Councilor Jackie Edwards, seconded by Councilor Keith Leonard, Council voted unanimously to approve the minutes of the September 7, 2017 Town Council special meeting as presented.

PUBLIC ADDRESS

Mr. Marshall Hiatt of 175 Noralin Drive in Midway addressed Council about the amount of smoke in the community due to homeowners burning leaves and brush. Mr. Hiatt said that he likes to leave his windows open in the fall and due to the amount of smoke in the air he is not able to do that. Mr. Hiatt feels that with the amount of leaves built up in the woods there will be the potential of fires developing and would like to see another alternative to disposing of the debris rather than homeowners burning it.

ADOPT AGENDA

The agenda was amended as follows:

Under VIII REGULAR BUSINESS, add Item 4. Establish Interim Finance Officer.

On motion by Councilor Robin Moon, seconded by Councilor Jackie Edwards, Council voted unanimously to adopt the agenda as amended.

PROCLAMATION

DAVIDSON COUNTY MARINES-RED RIBBON WEEK-OCTOBER 23-31, 2017

Mayor Pro Tem Mike McAlpine proclaimed October 23-31, 2017 as Red Ribbon Week in the Town of Midway and encouraged all of its citizens to join him in this special observance.

PUBLIC HEARING

PUBLIC HEARING TO ADOPT THE PROPOSED AMENDED AND RESTATED ORDINANCE ESTABLISHING THE TOWN OF MIDWAY PLANNING AND ZONING BOARD AND BOARD OF ADJUSTMENT – ORDINANCE NO. 18-04

At their regular meeting held on September 5, 2017, Council called for a public hearing to receive citizen input on the adoption of the Amended and Restated Ordinance Establishing the Town of Midway Planning and Zoning Board and Board of Adjustment (Ordinance No. 18-04).

The purpose of the ordinance is to define the appointment, organization, rules, powers and duties of the Planning Board and Board of Adjustment. Currently, the Town of Midway Planning Board/Board of Adjustment serves a term of four years. The proposed amended and restated ordinance will change the terms of service to three years to be in compliance with North Carolina General Statute 160A-388 which states that members of a Board of Adjustment will serve a term of three years, provided that upon initial appointment the terms of office are staggered.

At their August 29, 2017 regular meeting, the Planning Board recommended to Town Council the adoption of the proposed Amended and Restated Ordinance Establishing the Town of Midway Planning and Zoning Board and Board of Adjustment as presented.

Copies of the ordinance were made available for public review at Town Hall and on the Town's website at www.midway-nc.gov.

The notice of public hearing was advertised in *The Dispatch* on September 22, 2017 as required by law.

Mayor Pro Tem Mike McAlpine opened the public hearing.

There being no comments, Mr. McAlpine closed the public hearing.

On motion by Councilor Todd Nifong, seconded by Councilor Robin Moon, Council voted unanimously to adopt the Amended and Restated Ordinance Establishing the Town of Midway Planning and Zoning Board and Board of Adjustment (Ordinance No. 18-04) as presented.

The Amended and Restated Ordinance Establishing the Town of Midway Planning and Zoning Board and Board of Adjustment (Ordinance No. 18-04) is incorporated into these minutes by reference as if fully set forth herein.

REGULAR BUSINESS

PRESENTATION – AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2017 – EDDIE CARRICK, CPA, PC

Auditor Eddie Carrick of Eddie Carrick, CPA, PC, presented the audit report for year ending June 30, 2017. Mr. Carrick reported the Town received an “unqualified opinion.” An unqualified opinion is an independent auditor’s judgment that a company’s financial records and statements are fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles (GAAP).

Mr. Carrick stated the audit report is a public document and pointed out that pages 3-10 provide a narrative overview and analysis of the financial activities of the Town of Midway for the year ended June 30, 2017. Mr. Carrick encouraged readers to read the information presented in conjunction with additional information that has been furnished in the Town’s financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Midway exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,912,564 (*net position*).
- The government’s total net position increased by \$532,825, due to increases in the governmental type activities net position.

- As of the close of the current fiscal year, the Town of Midway's governmental fund reported an ending fund balance of \$3,826,553 with a net increase of \$451,530 in fund balance. Approximately 5 percent of this total amount, or \$177,058, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,649,496, or 367 percent of the total General Fund expenditures for the fiscal year.
- The debt for the Town decreased by \$89,673 due to principal debt payments of \$125,000, an increase in accrued vacation of \$3,457, and an increase in net pension liability of \$31,870.

Mr. Carrick noted that the Town had experienced a collection rate of 98% of ad valorem taxes which is above the state average.

Councilor Todd Nifong thanked Mr. Carrick for his service to the Town.

A complete copy of the Audit Report for Fiscal Year ending June 30, 2017 is on file at Town Hall for public inspection.

PRESENTATION – INVESTMENT OPTIONS FOR THE TOWN'S IDLE FUNDS –PHIL GRANDE WITH FIRST NATIONAL BANK

At their regular meeting held on September 5, 2017, Council discussed investment opportunities for the Town's idle funds. It was the consensus of Council to invite a financial representative to the October 2, 2017 regular Town Council meeting to provide information on opportunities for investing idle funds.

Mr. Phil Grande with First National Bank presented Council with current interest rates for certificates of deposit and said that when looking to invest public funds, the investment options would need to be insured and collateralized. Mr. Grande said that certificates of deposits meet this requirement but mutual funds do not.

Mr. Grande said that monies invested in simple interest certificates of deposit can range from six month certificates up to five years with interest building up in the account and maturing at different timeframes, either monthly, at six month intervals or annually.

Town Attorney Jim Lanik advised Council by stating that when investing public funds, there are two main considerations, liquidity and safety of the funds. Certificates of deposit can be considered but the Local Government Commission would have to give the final approval.

Mr. Grande said that interest rates are not "friendly" now and could remain low for some time. He said that rates are good for people borrowing money but not for those saving or investing money.

Mayor Pro Tem Mike McAlpine asked what the limitations are on municipal investments. Mr. Lanik said six months are the standard time frame. He emphasized that the Local Government Commission stresses liquidity and safety and that a five year plan is not necessarily considered liquid but would depend on the entire portfolio.

It was the consensus of Council to continue discussion of the Town's idle funds at their November 6, 2017 regular meeting and invite a representative from Home Trust Bank to provide information on investment opportunities for those funds.

For discussion only.

DISCUSSION – NORMAN SHOAF STREETLIGHTS – STATUS ON OBTAINING EASEMENTS

At their July 17, 2017 regular meeting, Council discussed adding street lights along Norman Shoaf Road to Riggins Lane. Keith Wingler with Energy United has quoted pricing for nine streetlights from Midway School Road to Riggins Lane, using five existing poles from Spry Road to Riggins Lane, and adding four poles from Spry Road to Midway School Road.

For the new pole installation, Energy United would need access easements from the affected property owners. Energy United will attempt to obtain the easement approval, but may need the Town's assistance if not successful.

Since that time, Mr. Wingler has attempted to contact four property owners from Spry Road to Midway School Road where easements are needed to install the light poles. Only one property owner has responded to his request.

After discussion, it was the consensus of Council to have Energy United add the streetlights from Spry Road to Riggins Lane and for a member of Council to attempt contacting affected property owners to receive permission to obtain easements to allow Energy United add streetlights along Spry Road to Midway School Road.

ESTABLISH INTERIM FINANCE OFFICER FOR THE TOWN

This item was added to the agenda.

Town Attorney Jim Lanik informed Council that for a municipal contract to be valid, it has to have a pre-audit certification by the Town finance officer to make sure the Town has appropriated funds to pay the contract. Currently, the Town Manager position is vacant and therefore, there is not a finance officer available to approve any pre-audit certifications. Mr. Lanik said the obvious choice to appoint as Interim Finance Officer would be the Town's accountant, Sandra Mock with Cannon and Company. On condition of Mrs. Mock's acceptance, the appointment for Interim Finance Officer would be for thirty five days until November 6, 2017.

On motion by Councilor Jackie Edwards, seconded by Councilor Keith Leonard, Council voted unanimously to appoint Sandra Mock as Interim Finance Officer for the Town for thirty five days until November 6, 2017, on the condition of her acceptance of the position.

TOWN MANAGER'S REPORTS

MONTHLY FINANCIAL REPORT

Council was provided monthly financial reports for September 2017 as follows:

SEPTEMBER 30, 2017

Total Income	\$ 424,312	28.6% of overall budget
Total Expenses	\$ 233,383	15.7% of overall budget

For information only.

(Mayor Pro Tem called for a five minute recess)

RECESS TO CLOSED SESSION

On motion by Councilor Todd Nifong, seconded by Councilor Jackie Edwards, Council voted unanimously to recess to closed session in accordance with N.C.G.S. 143-318.11(a)(6) to discuss matters pertaining to personnel.

RECONVENE TO OPEN SESSION

On motion by Councilor Robin Moon, seconded by Councilor Jackie Edwards, Council voted unanimously to reconvene to open session.

ADJOURNMENT

On motion by Councilor Jackie Edwards, seconded by Councilor Keith Leonard, Council voted unanimously to adjourn the meeting at 9:15 p.m.

Mike McAlpine, Mayor Pro Tem

Tammy H. Robertson, Deputy Clerk