

TOWN OF UNIONVILLE MINUTES OF REGULAR MEETING

The Town Council of the Town of Unionville held its regular meeting at 7:30 p.m. on Monday, December 19, 2011 in Town Hall, 1102 Unionville Church Road, Monroe, NC. Mayor Simpson and all Commissioners were present. Town Attorney Ken Helms was absent.

Everyone stood and recited the Pledge of Allegiance to the United States flag, after which Commissioner Robert Crutch led the prayer of invocation.

Mayor Simpson called the meeting to order and welcomed everyone present.

There being no corrections to the minutes of the November 21, 2011 regular meeting, and upon motion duly made by Edd Little, seconded by Randy Baucom, Council approved the minutes as reviewed by Council.

Mayor Simpson recognized Budget & Finance Officer Darrell Baucom, who reviewed the financial report, a copy of which is appended to these minutes. Mr. Baucom reported that the Balance Sheet shows a cash balance of \$156,000. The Town received \$74,000 in franchise taxes last week. One of the Certificates of Deposit matured Saturday for \$850,000. Current rates are: BB&T 8-month @ .12%; 12-month and 15-month @ .30%; Citizen South 13-month @ .45%; American Community Bank 12-month @ .50%; 18-month @ .75%; 3-year @ 1.05%. The consensus was to increase the CD to \$900,000 and deposit into the American Community Bank 12-month CD. Mr. Baucom stated that the Profit & Loss Budget vs. Actual income is unfavorable to budget \$6,000; franchise taxes are over by \$10,000; ad valorem taxes are under budget due to timing of receipts. On the expense side, contributions are less than budget by \$10,000; elections are less by \$6,000 because he hasn't received a bill; legal fees are under \$26,000. Solid waste cost sharing is favorable, as he hasn't received a bill from the county. Overall, income exceeds budget by \$46,000. Activity since last month includes the audit bill, Parker Poe bill, payroll, American Solutions for tax bills, and sizeable deposits for ad valorem and franchise taxes. Please add the following to pending bills to be paid: \$50 for Automated Fire Systems and \$94 for Web Building Solutions for the Town's website. Upon motion duly made by Ken Brown, seconded by Edd Little, Council unanimously approved payment of pending bills including the items listed above.

In considering Voluntary Annexation #19, parcel #09137105, Michael and Lisa Young's property, located at 3415 Morgan Mill Road, Monroe, NC, upon motion duly made by Ken Brown, seconded by Edd Little, Council unanimously approved the voluntary annexation of this property. Upon motion duly made by Ken Brown, seconded by Robert Crutch, Council unanimously set RA-40 zoning for this property.

In considering a successor to Jaren Simpson on the Planning Board, upon motion duly made by Edd Little, seconded by Robert Crutch, Council unanimously approved Planning Board's recommendation of Todd Loving to succeed Jaren Simpson as Planning Board member.

In considering meeting dates and times for 2012 meetings, upon motion duly made by Ken Brown, seconded by Robert Croutch, Council unanimously approved the third Monday of each month at 7:30 p.m. in Town Hall for their regular meetings.

Upon motion duly made by Ken Brown, seconded by Jaren Simpson, Council unanimously appointed Randy Baucom as Mayor Pro-Tem. Upon motion duly made by Ken Brown, seconded by Robert Croutch, Council unanimously appointed Ken Helms as Town Attorney. Upon motion duly made by Edd Little, seconded by Robert Croutch, Council unanimously appointed Darrell Baucom as Town Budget and Finance Manager. Upon motion duly made by Edd Little, seconded by Ken Brown, Council unanimously appointed Sonya Gaddy as Town Clerk, Tax Collector and Land Use Administrator. Upon motion duly made by Edd Little, seconded by Jaren Simpson, Council unanimously appointed Karen Price as Town Deputy Clerk. Upon motion duly made by Jaren Simpson, seconded by Ken Brown, Council unanimously appointed Edd Little as Centralina COG delegate and Robert Croutch as Centralina COG alternate. Commissioner Brown made inquiry as to the election of Board of Adjustment chairman. Ms. Gaddy said that would be considered at the next Board of Adjustment meeting.

Mr. Craig Hildreth was absent; therefore, Item #12 was tabled.

Mayor Simpson recognized Tom Moyer of Moyer, Smith & Roller for the audit report. Mr. Moyer distributed reports to the Council and staff. He began on Pages 24, 25 and 26, stating that the budget to actual comparison is very close. The revenues over expenditures were \$98,000 and the Town ended with \$105,000—a positive variance, which is good. The statements in financial statements are presented two to three different ways. Page 15 summarizes the same information found on pages 24, 25 and 26. On page 24, revenue is \$420,000. Pages 13 and 14 are a different type format of things already looked at on pages 24, 25 and 26. Page 14 shows it presented on a fund or budgeted type accounting system. It also gives reconciliation funds to accounting principles. If you look at page 14 and then 11, the \$103,000 change in net assets is the same as the page 14 total. The Balance Sheet is represented under two methods of accounting on pages 10 and 12. There are no fixed assets listed there in budgetary basis of accounting. In liabilities, the Town has deferred revenue, and only recognizes it when it is collected, not when bills are sent out. You take the budgetary basis and property taxes received and get the new number, which is the accounting basis, not the budgetary basis. This agrees with page 10. Capital assets are listed on page 10. This statement is how a for-profit business would record their information. A letter is inserted in the back regarding internal controls. They encountered no difficulties, no corrected and uncorrected misstatements and no disagreements with management. Other audit findings or issues relate to internal control, and the Town currently has the small staff segregated as well as it can. The Town is responsible for drafting financial statements; the auditor is not allowed, although they have a second office with no input and they can outsource that for the Town. Pages 3 – 9 show management basis and analysis, which was provided by Darrell Baucom, as Mr. Moyer is not allowed to provide that information. The Local Government Commission requires someone in the Town to read, understand and make comments regarding this audit. Mr. Moyer stated that Darrell Baucom has done that. Mr. Baucom stated that Moyer, Smith & Roller covered everything well. Mayor

Simpson made inquiry as to any action to be taken by the Town. Mr. Moyer stated that the Town is currently in compliance. This report was submitted to the Commission the second week in November and he received approval on Friday, December 16, 2011. Nothing is out of compliance.

In considering dates to have a joint meeting with Town of Fairview and Union County Manager Cindy Coto, the consensus of the Council was to consider Monday, February 13, 2012 and Monday, March 12, 2012.

In considering a joint contract with Town of Fairview for police protection through Union County's Sheriff Department, the consensus of the Council was that they are not interested in this at this time.

For information only, Mayor Simpson reported that the 2012 Planning Board Chairman is Ken Trull and Vice-Chairman is Andy Fowler.

Mayor Simpson also reminded everyone of the Griffin Farm and Landfill franchise application public hearing tomorrow night at 6:00 p.m. in Piedmont High School's auditorium.

Upon motion duly made by Ken Brown, seconded by Edd Little, Council unanimously entered into Executive Session to discuss a personnel matter.

Upon motion duly made by Edd Little, seconded by Ken Brown, Council unanimously adjourned Executive Session.

Upon motion duly made by Ken Brown, seconded by Jaren Simpson, Council unanimously approved Christmas bonuses of \$250 each to Darrell Baucom and Sonya Gaddy and \$50 to Karen Price.

There being no other business, Mayor Simpson declared the meeting adjourned.

Respectfully submitted,

Sonya W. Gaddy
Clerk

Approved as to form:

R. Kenneth Helms, Jr., Town Attorney