

TOWN OF DOBSON, NORTH CAROLINA

Board Of Commissioners Meeting Minutes January 20, 2011

PRESENT

Mayor: Ricky K. Draughn



Mayor Pro Tempore: Lana Brendle

Commissioners: Wayne Atkins
Todd Dockery
John Lawson
Dr. Gerri Martin

Also Present: Town Manager Josh Smith, Assistant Town Manager Tom Hart, Police Chief Shawn Myers, Public Works Director Michael Frazier, Auditor Thomas Belton, Reporter Mondee Tilly, Library Director John Hedrick, and Citizen Nanni-lou Kidd.

MINUTES

- **Mayor Draughn called meeting to order at 6:00PM**
- **Agenda Item 1: Consider the Minutes from December 1st 2010 Regular Meeting**

A motion was made by Commissioner Martin to approve the Minutes. The motion was seconded by Commissioner Dockery. The Board unanimously approved the minutes from the December 1st Regular Meeting.

- **Mayor Draughn opened the Meeting to public comments**

Nobody wished to address the Board

- **Agenda Item 3: Presentation of FY 09/10 Audit**

The Town's contracted Auditor Thomas Melton presented the Town's Fiscal Year 2009/2010 Audit. The Auditor reported that the 09/10 Audit showed drastic improvements from the FY 08/09 Audit and that the Audit was accepted by the State. The Auditor pointed out the Town's ending general fund balance of \$1,134,401 found on page 22 of the Audit and the Town's ending water sewer fund balance of \$35,529 found on page 64 of the Audit. Both fund balances reflect improvements from the previous fiscal year. The Auditor also explained a new section of the Audit that has not been present in previous Audits. Page 58 and 59 of the Audit shows the Town's potential Other Post Employment Benefits (OPEB) liability of \$42,804. Commissioner Martin requested clarification of the OPEB section, the Auditor elaborated to say that the OPEB figures found in the Audit were potential expenses the Town could incur, but was not an expense that needs to be specifically budgeted because the expense would

only be incurred if eligible employees choose to draw the benefits. Lastly, the Auditor pointed out the Town's 99% collection rate on page 68 of the Audit. Commissioner Atkins motioned to accept the Audit and was seconded by Commissioner John Lawson. The Board unanimously accepted the Town's Fiscal Year 2009/2010 Audit.

➤ **Agenda Item 6: Resolution to designate Town Agents**

The Board opted to address Agenda Item's 6 and 7 while the Town's Auditor was present to ensure that the resolution to appoint Town Manager Josh Smith and Assistant Town Manager Tom Hart as Town Agents would not create problems related to the Town's fiscal accountability. The Auditor expressed concern that checks could be generated and signed twice by the Town Manager and Assistant Town Manager, which does not sufficiently segregate the tasks of check generation and check signing. Ideally, the checks must be generated by one party and signed by two other parties. The Auditor expressed general concern that the generation of checks, collection of payments, posting, and check signing should be segregated. The Auditor and Town Staff agreed to meet and discuss ways to increase fiscal accountability and create internal controls.

Commissioner Martín stated that it was the Board's goal to get everything right this time and recommended that Tom Hart's name be pulled from the resolution to comply with proper accounting procedures. Mayor Draughn expressed concern that the Town would not be able to conduct business in Town Manager Josh Smith's absence and wanted to ensure that the Mayor and Mayor Pro-Tem would be able to sign checks. The Auditor advised the Board that any combination of Elected Officials designated as Town Agents or the Town Manager and any single Elected Official could sign checks. Commissioner Martín made a motion to remove Tom Hart's name from the resolution and was seconded by Lana Brendle. The Board unanimously approved the resolution to appoint Mayor Draughn, Mayor Pro-Tem Lana Brendle, and Town Manager Josh Smith as Town Agents.

➤ **Agenda Item 7: Appoint Town Clerk**

Town Manager Josh Smith informed the Board that Commissioner Atkins had been appointed as an interim Town Clerk leaving the Town without a full time staff member acting as Town Clerk and recommended that the Board make a motion to appoint Tom Hart as the Town Clerk. Commissioner Dockery made a motion to appoint Tom Hart as the Town Clerk and was seconded by Commissioner Martín. The Board unanimously approved Tom Hart as the Town Clerk.

For clarification purposes, Commissioner Martín motioned to appoint Tom Hart as the Town's Assistant Town Manager, Finance Officer, and Clerk. The motion was seconded by Commissioner Lawson and unanimously approved.

➤ **Agenda Item 4: Request from Regional Library**

Following up on the letter sent to the Town, John Hedrick from the Northwest Regional Library addressed the Board to request \$1,200 in order to help the library continue paying part time library staff while a full time staff member dealt with illness. Mr. Hedrick explained that the library would not be able to maintain their normal hours of operation without financial assistance. The Board inquired whether the Library had a longer term plan in place to deal with the illness of their staff member; Mr. Hedrick responded that their staff member's diagnosis was still unclear but that they would not petition the Board for any more funds this year. Commissioner Martín asked staff whether the Town was able to fulfill the request. The Town Manager advised the Board that there was an untapped \$5,000 line item traditionally used to buy little league uniforms and is rarely exhausted by the end of fiscal year. A motion to grant the library's request was made by Commissioner Martín, seconded by Commissioner Brendle, and unanimously approved.

➤ **Agenda Item 5: Resolution in Support of Current ABC System**

In response to mounting vocalization regarding privatizing the state's alcohol beverage control system the Board considered a resolution supporting the state's current ABC system. Commissioner Atkins indicated that the Board in Mount Airy had already approved a similar resolution and Commissioner Lawson advised the Board that the Governor was currently voicing support for the state's existing ABC system and that all the other towns in the County had approved similar resolutions. A motion to sign a resolution supporting the current North Carolina Alcohol Beverage Control System was made by Commissioner Lawson, Seconded by Commissioner Dockery, and unanimously approved.

➤ **Agenda Item 8: Consider Fire Department Grant**

In his capacity as Fire Chief, Mayor Draughn requested that the Board allow staff to pursue a matching funds grant for the Fire Department. Chief Draughn indicated that the grant would likely be in the amount of \$30,000 which could cost the town up to \$15,000 in the fiscal year 2011/2012 budget, but that the Department would not know whether the grant was awarded to them until mid May 2011 and needed the Board's approval to apply for the grant. A motion to allow the Chief to pursue the grant was made by Commissioner Martín, seconded by Commissioner Lawson, and unanimously approved.

➤ **Agenda Item 9: Consider Appointment to Fire Fighter's Relief Fund Board**

Town Manager Josh Smith advised the Board that three citizens had expressed interest in filling the vacancy on the Fire Fighter's Relief Fund Board: Charles Dockery, Stan Newman, and Don Akers. A motion to appoint Stan Newman to the Relief Fund Board was made by Commissioner Brendle, seconded by John Lawson, and unanimously approved.

➤ **Agenda Item 10: Consider Adoption of a Mission and Vision Statement**

Town Manager Josh Smith presented the Board with a proposed Mission Statement and Vision Statement. Commissioner Martín expressed support for the adoption of a Mission and Vision Statement but asked that the Board table the issue so that revisions could be made. The Board unanimously agreed to work with staff to revise both statements and take action on the adoption of a Mission and Vision Statement at a later point in time.

➤ **Agenda Item 11: General Business**

Town Manager Josh Smith addressed the Board regarding the following issues:

The **website** was expected to be launched the day after the meeting. The Town Manger overviewed the proposed features of the site including the ability to pay water bills online through an intermediary company that would charge the customers a convenience fee. The website will also display the Town's Code of Ordinances, allow access to several forms, and be used to provide updates with the Community. In addition to the website the Town Manager advised the Board that a Facebook page has also been created.

The new **Public Works building** on Draughn Street has been completed except for the parking lot which will be paved when the weather gets warmer. The Town Manager advised the Board that \$167,540 Rural Center funding was left for the project in addition to \$85,164 from Surry County. Some of that money is scheduled to be spent however sufficient funds should be available to furnish the building and improve its surroundings.

The **Prison Camp Road Project** is being prepared to be bid out and is awaiting a few easement and encroachment agreements which should be completed by mid-February.

Construction of a BB&T branch on Zephyr road was supposed to begin in December but was delayed by weather and should begin shortly. Town Staff is pursuing Economic Infrastructure Grants through the Rural Center which could award \$10,000 per employee hired by the BB&T to be used to upgrade the Town's water or sewer systems.

The Town's **park meeting** went well, attendance was estimated at twenty eight and community surveys have been distributed. Many citizens expressed interest in an indoor facility, rather than a modest neighborhood park the Town anticipates being able to build.

The Town's **utility pole banners** have arrived and Town staff anticipates mounting the new banners once the weather improves. Town staff sought guidance from the council as to where in town the banners should be mounted and where on the pole they should be mounted. The Board expressed a desire that the banners be in the downtown "square" and on the main thoroughfares into town but left mounting details and exact locations to staff discretion.

Finally, Manager Josh Smith advised the Board that in a letter dated December 12, 2010, Attorney Fred Baggett from the Smith, Moore, and Leatherwood law firm, advised the Town that his services had been retained by the City of Mount Airy and that he intended to file suit as of January 31, 2011 against the Town of Dobson on Mount Airy's behalf regarding the **Interlocal agreement**. On December 20, 2010 Manager Josh Smith sent a letter to Mount Airy presenting three alternative purchase agreements that the Town of Dobson could consider agreeing to. The purchase of 100,000 gallons a day at 1.80 dollars per 1,000 gallons for fifteen years, 100,000 gallons a day at a rate of 1.78 dollars per 1000 gallons for 18 years, and 100,000 a day at a rate of 1.75 dollars per 1,000 gallons for 20 years. Manager Josh Smith followed up on the letter on December 29, 2010 and again on January 7, 2011 however the City of

Mount Airy did not respond. After Mount Airy's January meeting Attorney Fred Baggett emailed Manager Josh Smith and advised that the Mount Airy Board had offered to allow the Town of Dobson to purchase 250,000 gallons of water a day rather than the initially agreed upon 300,000 gallons. This proposal would require the Town to purchase water from Mount Airy at a rate sixteen cents higher than the rate the Town currently charges customers. Manager Josh Smith advised the Board that he had researched Attorneys to defend the Town against the litigation threatened by Mount Airy and recommended Attorney Neil Yarborough from the Yarborough law firm in Fayetteville. Mr. Yarborough has extensive professional experience and has quoted the cost of defending the Town at approximately 3,500 dollars.

Commissioner Gerri Martín stated there has been a full year of conversations with Mt. Airy regarding the Town's inability to complete the line under the current agreement, which was made under pre-recession predictions regarding economic growth. She added that Mount Airy remains unwavering in their conviction to hold the Town to the pre-recession agreement which is not binding until the Town taps into their water system which the Town has not done. Commissioner Martín continued to say that it seems that the City of Mount Airy has left the Town of Dobson with no alternative but to retain legal counsel.

Commissioner John Lawson made a motion to **Hire Neil Yarborough** to defend the Town against the potential lawsuit from Mount Airy. Commissioner Martín seconded the motion and the Board unanimously approved.

➤ **Agenda Item 12:**

Manager Josh Smith requested that the Board go into **closed session** pursuant to NCGS 413-318.11(a) and 413-318.11(a)6. Commissioner Gerri Martín seconded by Commissioner Lana Brendle made a motion to go into closed session. The Board approved unanimously and went into closed session at 7:05PM.

At 7:11PM Commissioner Todd Dockery made a motion for the Board to come out of closed session. Commissioner John Lawson seconded and Board unanimously approved.

➤ **Motion to Adjourn at 7:12PM**

Commissioner John Lawson, seconded by Commissioner Gerri Martín made a motion to adjourn the Board meeting. The Board approved unanimously.

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CLERK'S SIGNATURE