

**YANCEYVILLE TOWN COUNCIL
MEETING MINUTES
Tuesday June 20th, 2023
6:00pm**

The meeting of the Town Council was held in the Yanceyville Museum of Art at the Yanceyville Municipal Services Building located at 158 East Church Street, Yanceyville, NC and streamed through the WebEx platform on Tuesday, June 20th, 2023, at 6:00pm.

Council Members present: Mayor- Alvin Foster, Brian Massey, and Keith Tatum

Council Members absent: Mayor Pro Tem- Odessa Gwynn

Staff present in person: Kamara Barnett-Town Manager/Clerk, Lee Farmer- Town Attorney, Kathryn Hinton-Administrative Assistant, and Harmon Crutchfield, Financial Consultant

Item 1: Call to Order/Reconvene

Mayor Alvin Foster reconvened the Town Council Meeting at 6:05 pm.

Item 2: Review and Adoption of Agenda – Mayor & Council

Mayor Foster asked Town Council for a motion. After a brief review, Councilman Massey made a motion to adopt the agenda as presented. The motion was seconded by Councilman Tatum and passed with a unanimous vote.

Item 3: Approval of Capital Project Ordinance # 2023-01 for the Execution of Airport Project Fund

Town Manager Barnett explained that the capital project ordinance # 2023-01 is a Town established projected from the sale of property (1818 NC Hwy 62 North Blackwell/Gregory Property) in the amount of \$488,472.10 for future activities at the Yanceyville Municipal Airport

Mayor Foster asked Town Council for a motion. After no further discussion, Councilman Massey made a motion to approve the Capital Project Ordinance # 2023-01 for the Execution of Airport Project Fund The motion was seconded by Councilman Tatum and passed with a unanimous vote.
*see attached

Item 4: Public Hearing for Recommended Budget for Fiscal Year 2023-2024

Mayor Foster asked the Town Council for a motion to go into Public Hearing. Councilman Tatum made a motion to go into Public Hearing. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Town Manager Barnett indicated that a draft copy of the 2023-2024 Budget Ordinance was included in the agenda packets.

Town Manager Barnett noted that the budget is presented with no changes in the current ad valorem tax rate. She indicated that a conservative approach was used in preparing projections for all six statewide revenue sources: Beer & Wine Tax, Utility Franchise Tax on Electric Service, Sales Tax on Telecommunications, Piped Natural Gas Excise Tax, Local Option Sales Tax, and Powell Bill revenues. Town Manager Barnett noted that the Town has developed an extremely conservative budget that seeks to maintain current service levels, while also addressing infrastructure needs to maintain current assets to allow for prolonged use and efficiency. She made reference that the Budget process was done a little differently this year because the Town is being monitored by the North Carolina Dept. of State Treasurer: Local Government Commission (LGC) because the Town is on the LGC Unit Watch List. Town Manager Barnett indicated that the Town was placed on this list due to deficiencies from the last FY audit that have since been corrected. She noted that the LGC recommends that the overall appropriation from fund balance should not be over 5% of the total enterprise budget. The Enterprise Fund has incurred a significant loss in customer base and revenue over the past 5 years. Consequently, the budget will need to assume a 25% increase in the rates starting July 1, 2023. It is important to recognize that this is only the beginning of rate increases. She also added that the LGC also recommended that the Budget be more detailed, that explains revenues and expenditures within the General Fund.

Councilman Tatum inquired about the governing board line item. Town Manager Barnett explained that the governing board line item includes salaries, FICA/ Medicare, meeting attendance, and elections. Councilman Tatum noted that stipends received by Town Council doesn't total \$36,300. Town Manager Barnett explained that the election line is \$5,000 the remaining 31,300 is for salaries, FICA/ Medicare, and meeting attendance.

Town Manager Barnett explained that per the Town Council Charter, each member is to be paid \$50.00 per meeting for meetings pertaining to the business of the Town in addition to a monthly stipend. Meeting attendance must be completed and submitted to the Finance Office to receive payment.

Town Manager Barnett also made note that on page two, section four of the draft Budget Ordinance 2023-2024 40% rate increase for the water and sewer rates needed to be changed to 25 %.

Mr. Harmon Crutchfield indicated that he would be providing Town Council a five- year plan on the Enterprise Fund (water/sewer) to ensure that the Town is handling the utility properly and charging rates needed to maintain the fund. Mayor Foster indicated that he understands that the proposed rate increase only gets the Town halfway through, and in future the Town may need to address rates again.

Mayor Foster asked for additional questions.

Mr. Matthew Hoagland 291, West Main Street, Yanceyville NC 27379 mentioned that he understands the need for the rate increase to get the finance ironed out to address the maintenance in the water system. Mr. Hoagland inquired about the American Rescue Plan

Funding from the State Fiscal Recovery Fund that the Town received. He asked is that money included in this budget? And if not is there any other mechanism that captures this funding or is it put into another account. The Final component is there anything that prevents the \$625,000 from being directed towards water and sewer upgrades. He mentioned that he the policy that the Town Council adopted during the May Town Council meeting regarding Eligibility Determination Policy for American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds, Section I : Permissible uses of AR/ CSLFRF Funding, Item Five Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet, and.

Town Manager Barnett explained that in May Town Council approved the general compliance policies for revenue replacement expenditures. She noted that there are few compliance requirements for revenue replacement expenditures. Mr. Crutchfield explained that the Town is using a portion of the funding in this year's budget to not have a 40% increase in rates. Mr. Crutchfield explained that the cost savings of salaries charged to the ARP Funding could be used for water/ sewer upgrades.

Mrs. Patricia Price Lea 313 Wall Street, Yanceyville NC, 27379 stated if the Town is doing the 25% now and we really need 40% what is the plan for next year. Town Manager Barnett explained that in order to stay compliant with the LGC and monitoring standards that rates may increase over the next few years. Mrs. Price Lea asked why had an increased not taken place in the past? Town Manager Barnett indicated that Mr. Crutchfield provided an analysis of the Enterprise Fund going back five years after which we were able to see the decline in revenue. She added that water consumption/use has decreased significantly.

Mayor Foster asked for any other questions.

Mayor Foster asked Town Council for a motion to come out of Public Hearing. Councilman Tatum made a motion to come out of Public Hearing. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Mayor Foster asked Town Council for a motion to return to Regular Session. Councilman Tatum made a motion to return to Regular Session. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Item 5: Closed Session- G.S. 143-318.11- Contractual

Mayor Foster asked the Town Council for a motion. Councilman Massey made a motion to go into Closed Session General Statues 143-318.11 Contractual. The motion was seconded by Councilman Tatum and passed with a unanimous vote.

After the Town Council returned from Closed Session, Mayor Foster asked for a Town Council motion to come out of Closed Session. Councilman Tatum made a motion to come out of

Closed Session. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Mayor Foster asked the Town Council for a motion to return to Regular Session. Councilman Tatum made a motion to return to Regular Session. The motion was seconded by Councilman Massey and passed with a unanimous vote.

Mayor Foster noted that while in Closed Session, the Town Council has nothing to bring forward to Regular Session at this time.

Item 6: Recess Town Council Meeting Until, Tuesday, June 27th, 2023, at 6 pm

Mayor Foster asked the Town Council for a motion. After no further discussion, Councilman Massey made a motion to recess the Town Council Meeting until Tuesday, June 27th, 2023, at 6:00pm. Councilman Tatum seconded the motion that passed with a unanimous vote. The meeting ended at 7:09pm.

Kamara Barnett, Town Clerk prepared the above minutes. The minutes represent a brief description of those matters that were addressed at this meeting.

Respectively Submitted:

Alvin Foster, Mayor

Kamara Barnett, Town Clerk

**CAPITAL PROJECT ORDINANCE #2023-01 FOR
THE EXECUTION OF AIRPORT PROJECT FUND**

BE IT ORDAINED by the Governing Board of the Town of Yanceyville, North Carolina that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1: The capital project authorized is a Town project established from sale of property 1818 NC Hwy 62 N. toward future activities at the Municipal Airport.

Section 2: The capital project will be complete in accordance with the requirements set by all relevant North Carolina state statutes.

Section 3: The following amount is appropriated for the project:

Account Name	Total Budget
Airport Project Activity	\$488,472.10
Total Project Appropriation	\$488,472.10

Section 4: The following revenue is anticipated to be available for the project:

Account Name	Total Budget
Revenue – Property Sale	\$488,472.10
Total Project Revenue	\$488,472.10

Section 5: The Finance Director is hereby directed to maintain within the capital project fund sufficient specific detailed accounting records to satisfy the disclosure requirements of all the contractual agreements, if applicable.

Section 6: Funds may be advanced from the General Fund as necessary for the purpose of making payments as due. Reimbursement requests shall be made in an orderly and timely manner.

Section 7: The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and Section 4.

Section 8: The Finance Director is further instructed to include a detailed analysis of past and future revenues and expenses during each annual budget submission made to the Governing Board.

Section 9: Copies of this capital project shall be furnished to the Town Clerk, Finance Director, and Town Manager for direction in conducting this project.

Adopted by Town Council of Yanceyville, North Carolina on the twentieth day of June 2023.



Alvin W. Foster, Major



Kamara Barnett, Town Clerk

**TOWN OF YANCEYVILLE
DRAFT BUDGET ORDINANCE 2023-2024**

BE IT ORDAINED by the Governing Board of the Town of Yanceyville, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the town government and its activities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore established for this Town:

Governing Board	\$36,300.00
General Government	431,565.00
Fire Department	229,150.00
Public Works	118,500.00
Recreation Department	40,000.00
Debt Service	75,000.00
Capital Improvement Plan	13,000.00
	\$943,515.00

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024 to meet foregoing appropriations:

Ad Valorem Taxes	\$322,200.00
Motor Vehicle Taxes	15,673.00
Penalties and Interest	2,500.00
Beverage Tax	8,500.00
Franchise Tax	110,000.00
Local Option Sales Tax	240,000.00
Solid Waste Disposal Tax	2,000.00
Charges for Current Services	66,350.00
Interest on Investments	14,000.00
Other Revenue	156,800.00
	\$943,515.00

Section 3. The following amounts are hereby appropriated in the Water and Sewer Enterprise Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore approved for the Town:

Operating	\$1,423,211.00
Capital Outlay	50,000.00
Debt Service	230,607.00
Capital Improvement Plan	50,588.00
	\$1,754,406.00

Section 4. It is estimated that the following revenues will be available in the Water and Sewer Enterprise Fund for the fiscal year beginning July 1, 2023, and ending June 30, 2024. These projections reflect a 25% rate increase for the water and sewer rates.

Water Revenues	\$ 939,538.00
Sewer Revenues	644,379.00
Reconnect Fees	7,500.00
Other Operating Revenues	75,269.00
Appropriation from Fund Balance	87,720.00

	\$1,754,406.00

Section 5.

The following amounts are hereby appropriated in the Special Revenue Fund for the operation of restricted revenue sources such as Powell Bill Revenues and grant awards for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore established for this Town:

Powell Bill – Restricted	\$40,000.00
Cemetery Maintenance	4,000.00

	\$44,000.00

Section 6.

It is estimated that the following revenues will be available in the Special Revenue Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024 to meet foregoing appropriations:

Powell Bill – Restricted	\$40,000.00
Cemetery Fund	4,000.00

	\$44,000.00

Section 7.

There is hereby levied a tax at the rate of thirty-three cents (.33) per hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2023, this reflects no increase in the tax rate for this fiscal year. This rate is based on a total valuation of property located in Yanceyville by the Caswell County Tax Department for the purposes of taxation of \$99,123,200 and estimates a rate of collection of 98.5%.

Section 8.

The Finance Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. The Finance Officer may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

Section 9.

Copies of this Budget Ordinance shall be furnished to the Town Manager and to the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

THIS ORDINANCE ADOPTED this 27th day of June 2023.

Alvin W. Foster, Mayor

ATTEST:

Kamara Barnett, Town Clerk

DRAFT