

October 13, 2008

The Middlesex Governing Body met in regular session in the Conference Room of the Town Hall. Mayor Luther H. Lewis, Jr. called the meeting to order at 7:30p.m. and gave the invocation. Members present were Commissioners Harold Meacombs, Luke Robinson, and Derek Bissette. Commissioners Fred Hough and J.W. McClenny were absent. The guest list is attached and are part of these minutes.

Mayor Lewis opened the floor for the public comment and there was no input from the public, so the public comment session was closed.

Commissioner Robinson moved to accept the September minutes as being recorded correctly. His motion was seconded by Commissioner Bissette and carried unanimously.

Commissioner Bissette moved to approve the agenda deleting Item 7d under Old Business, "Review the Town Code of Ordinances". His motion was seconded by Commissioner Robinson and carried unanimously. Everyone agreed this item should be tabled until all Board members were present.

John Anthony, auditor for the town, presented the 2007-2008 Financial Statements and Audit Report. He advised that the town received a clean opinion and the audit has been approved by the State Treasurer's Office. Stating the town's net worth increased \$67,000 from last year, the town continues to be in good financial condition. However, he did warn that even though the town does have good cash reserves, the town spent \$133,000 above the revenues in the general fund and had to dip into the general fund surplus funds and the incoming revenues were not sufficient to replenish it and at the present rate this would create unfavorable effects in about three years if corrective actions are not taken. Also in the water and sewer operating funds, there was a loss of \$87,815 and Anthony stated that the rates needed to be strong enough to meet the operating expense each year and the board needs to take a serious look at increasing water and sewer rates or the funds would be in serious trouble. Mayor Lewis thanked Mr. Anthony for his presentation.

Levi and Belinda Evans addressed the Board with their concerns about their continued lease of the town's building they now occupy and whether in the future, the town would take the building for its use. They were requesting something in writing that they could continue their lease because they were concerned about Board changes. However, Town Administrator Peggy Bissette read the applicable NC General Statute, which does not allow a municipality to lease buildings for longer than one year at a time unless the building is put up for rent and a public notice is given.

Mayor Lewis and the Board assured Levi and Belinda that they wanted their business to remain in the current location and had no intention of asking them to vacate the building. Levi and Belinda stated that they trusted their word.

Commissioner Meacombs moved to accept the September financial statements as correct. Commissioner Bisette seconded the motion and it carried unanimously.

Commissioner Bisette asked Administrator Bisette about the testing results and penalties for the backwash filters at Well #4. Administrator Bisette advised that \$600 in penalties were dismissed on a pending penalty case and \$150 was dismissed on the last case. Tests have been under the state's allowable limits for three consecutive months.

The Rural Center advised by letter and Senator Swindell advised by phone that the town was awarded the Well Project Grant. The grant, which is a 65/35 match, would be a \$245,000 grant with approximately \$85,000 town match, which will be a loan from USDA.

Commissioner Meacombs had discussed a meter replacement project with Administrator Bisette and asked her to research replacing all meters in town with drive by (radio read) meters, since \$50,000 of the Well Project was earmarked for meter replacement. Utility Director Jeff Waddell reported that it takes two men two days to read meters now, whereas, the radio read could be completed by one person in two and a half to three hours. Total cost of meters and software will be \$94,288.75, plus 2,500 for Logics to change the billing program. This price does not include some risers that may need replacing, nor does it include installation. Administrator Bisette added that town personnel could install the meters and also the town may be able to recoup some cost by selling the old meters, and the installation, if done by town employees would be charged to the project if so desired.

Jody Cline, representative with Carolina Meter and Supply, was present to answer questions. Mr. Klein and Mark McMillan, the Badger Meter rep, reported to Bisette that the town is probably losing revenue with some old 2" meters in town, which are not measuring flow correctly. Middlesex Elementary School, Mortex Apparel and possibly other places need compound meters, as described by Administrator Bisette, that would measure very low and very high flow and give a more accurate reading. The 2" meters are probably not measuring small amounts of flow going through the line. Mike Harris, with USDA, recommended

to Bissette that we go ahead with the meter replacement project before we begin the new well.

Commissioner Meacombs asked Mr. Cline if stormwater would be a problem for the radio read meters. He replied that in some cases, personnel may have to get closer to the meter. Also, Meacombs asked about what power source operated these meters. Mr. Cline stated that two batteries were inside the transmitter and they have a twenty year warranty and added that the meter base is cast iron. He also advised that it is possible to read meters in the auto or manual mode and the device has leak detection on the customer's side that notifies the meter reader of the leak. Also, a refrigerator magnet is available for approximately \$40 that would display the readings and advise if a leak is detected.

Commissioner Meacombs moved to proceed with the meter replacement project. The motion was seconded by Commissioner Robinson and the motion carried unanimously.

Administrator Bissette advised that before the town begins clearing the site for a new well on Stokes Road, she contacted Will Hooker, a dowser. He said he would check the map Bissette sent to him with four sites marked, and Bissette is expecting an answer this week. She will proceed with the project based on Mr. Hooker's findings.

Administrator Bissette presented a study showing that the auditor wrote off \$4,111 in bad debts for water bills on June 30, 2007, and at the present time we have uncollected water bills total approximately \$3,000. This situation arises because consumers move out and don't advise the town and leave owing two months bills before we cut the account off and find out they are gone. The current deposit of \$175.00 does not cover the bills and therefore, the shortage has to come from other consumers in the long run. Bissette recommended to increase the deposit to at least \$200, preferably \$250. Commissioner Bissette moved to increase water deposits to \$200. Commissioner Robinson seconded the motion and it carried unanimously.

The NC General Assembly passed a law forbidding local governments to levy taxes on rented/leased heavy equipment located within its jurisdiction, and instead passed a law that states the renting /leasing agencies located in the municipality must collect 8% of the gross rental receipts at the time of renting/leasing and the agency must then submit the money due to the town at the end of each quarter. Middlesex does not have heavy equipment dealers renting or leasing at the present time, but Administrator Bissette talked to one of the League attorneys and they advised the town to adopt the resolution so it will

be in place should such a business ever locate in town. Commissioner Robinson moved to adopt the "Resolution Levying a Tax on Gross Receipts Derived from Retail Short-Term Lease or Rental of Heavy Equipment". The motion was seconded by Commissioner Meacombs and it carried unanimously.

The Federal Trade Commission passed a ruling that all municipalities providing utilities must adopt an Identify Theft Program, which would identify potential fraud or "red flags" for identity theft and the program must be adopted by November 1, 2008. Administrator Bisette used the Town of Tarboro's policy as a guideline for a proposed program for the town. Commissioner Bisette moved to adopt the Identity Theft Program. Commissioner Meacombs seconded the motion and it carried unanimously.

Commissioner Meacombs moved to release 2008 taxes in the amount of \$155.57 billed to Cullen Gurganus and discover the same parcel and tax amount to Jose Navarro. Commissioner Robinson seconded the motion and it carried unanimously.

There was a brief discussion on providing sanitation services to out of town customers who have town water and/or sewer services at double rates. Mayor Lewis stated the town could use the extra revenue at little extra cost to the town. Administrator Bisette pointed out that these customers do not pay property taxes and therefore do not contribute to capital expenditures and other costs taken from General Fund reserves to supplement the sanitation department. Commissioner Bisette moved to offer sanitation at a double rate to out of town consumers connected to the town water and/or sewer system. Commissioner Meacombs seconded the motion and it carried unanimously.

Administrator Bisette presented a proposal to paint the exteriors of the three town owned buildings. Mayor Lewis asked her not to give out any figures for quotes at the present time, stating that he thought we should get two more quotes. All Board members agreed and the Board requested that Bisette try to get two more quotes.

Ricky Quinn, Quinn Powder Coating Company on Planer Mill Road, requested to pay \$1,725 in acreage and impact fees now, pay half of the \$10,800 engineering fees now, and half next year. After a brief discussion, Commissioner Meacombs moved to allow Mr. Quinn to pay \$1,725 in acreage and impact fees, \$5,400 in engineering fees now, and the remaining \$5,400 in engineering fees one year from now, and if not paid, the water service will be discontinued. His motion was seconded by Commissioner Bisette and it carried unanimously.

Being no further business, Commissioner Meacombs moved to adjourn.

Jennifer Lambert
Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Luke Robinson
Derek Bissette