

## **TOWN OF UNIONVILLE MINUTES OF REGULAR MEETING**

The Town Council of the Town of Unionville held their regular meeting on Monday, January 18, 2021 in Town Hall, 1102 Unionville Church Road, Monroe, NC. Mayor Baucom and Commissioners Andrew Benton, Jeff Broadaway, Gene Price and Jaren Simpson were present. Commissioner Ken Brown was absent. Town Attorney Ken Helms was also present.

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

Mayor Baucom welcomed our visitor, Jimmy Hanna, and called the meeting to order. There were no public comments.

Upon motion duly made by Andrew Benton, seconded by Gene Price, Council unanimously approved the minutes of the December 21, 2020 regular meeting and public hearing.

Mayor Baucom then recognized Finance Officer Darrell Baucom, who reviewed the Financial Report, a copy of which is appended to these minutes. Mr. Baucom stated that the checking and CD balances are currently \$3,100,000. In Budget versus Actual, income has been good this year, although we anticipated lower sales tax, franchise tax and ad valorem taxes. Currently, all are above budget. On the Expense side, contributions include the Unionville Volunteer Fire Department contribution for air packs. We are under budget on office supplies, and he is accounting for the audit. The internet website is our new web page and webmaster, Piedmont Computers. In Activity Since Last Time, he shows the \$54,000 distribution to Unionville VFD for air packs, legal fees for Ken Swain and several ad valorem deposits. In Pending Bills, please add Baucom Lawn & Landscape for the quarterly fee of \$2,150 and J.B. Watson for the audit fee of \$9,530. Upon motion duly made by Gene Price, seconded by Jeff Broadaway, Council unanimously approved payment of pending bills.

Mayor Baucom then recognized Mr. Jimmy Hanna with J.B. Watson & Company, who gave the audit presentation. He stated that the Town, once again, had a “clean” audit. Mr. Baucom did a fine job of keeping the books; they found no problems. The only comment is the segregation of duties, which is a problem due to the small staff. There were no problems with the audit. He referred to Income Expense for the Town for year ending 6/30/2020, which shows various revenues, expenditures, and total revenues in excess of expenditures. The profit for the year was \$171,345. The fund balance, or net worth, is \$3,121,495. The Town uses the fund accounting method, the old-school way of keeping books. Statement of Activity is the same information done in a different manner. Page Six shows the reconciliation of how he shows the profit. The Balance Sheet for the year shows that assets and liabilities of the Town are strong, and most of it is cash. It is a strong balance sheet with few liabilities. Accounts Payable is

higher due to the contribution to the VFD for air packs and it is split between two years. On the first page, Statement of Acquisition is based on the other method of accounting. It shows fixed

assets and the Town's share of net pension liability. Basically, it shows what the Town took in and paid out; assets and liabilities as of 6/30/20. There were no questions.

Mr. Hanna then distributed a handout—a Financial Statement comparison of the last three years, indicating trends. Cash has increased from 2,766,000 to 3,139,000 this year. The fund balance is up 2,765,000. General Fund expenditures have increased due to the grant from the state to the fire department. The fund balance available shows as a percentage of general fund expenditures and is a tremendous number. Statewide averages in towns with populations of 2,500 to 10,000 average 77 percent, and Town of Unionville's is 971 percent. The minimum acceptable is 8 percent and ideal is 25 percent or more. The property tax collection rate is very good. The Town's share of the state's pension liability shows three years. There is also a list of municipalities in North Carolina to compare, as Unionville is a small town. He thanked the Town again for the opportunity to perform the audit again this year.

In considering the annexation policy, Clerk Gaddy reported that she polled the other clerks in the county and only got responses from Wesley Chapel and Lake Park. Wesley Chapel's response is appended to these minutes, and Lake Park does not perform annexations. Mayor Baucom made inquiry as to a Supreme Court ruling regarding annexations. Attorney Helms stated that involuntary annexations are no longer allowed in North Carolina. The Wesley Chapel legislation requires 95 percent of a subdivision to be annexed to prevent "doughnut holes"—where only a portion of the applicants are annexed into the Town. Commissioner Broadway stated that he does not want to see a situation where one resident could prevent an entire community from annexing into the Town. Commissioners Benton, Price and Simpson all agreed. There being no motion, the decision was to make no changes to the current annexation policy.

Mayor Baucom drew Council's attention to the Union County Interlocal Agreement for water and wastewater services. He stated that county officials met with some of the Council recently, although we do not know their plans yet. Attorney Helms questioned the need for this agreement; perhaps for planning purposes, and to be notified regarding upcoming rezoning projects. Mr. Helms also noted that Unionville does not provide these services. Commissioner Benton made inquiry as to our Interlocal Agreement with City of Monroe for utilities and wondered if Union County is looking for a specific agreement with Union County only. Commissioner Broadway made inquiry as to the 30-year effective date and suggested it be 10-15 years instead. Attorney Helms stated that either party can terminate the agreement after two years. The consensus of the Council was to have Attorney Helms contact the county's attorney, Richard Long, and provide further details at the next meeting.

In other business, Clerk Gaddy reported that Sharp Business Machines will discontinue maintenance on our 12-year-old copier/printer/fax machine at the end of January 2021. She will get three new quotes for comparable machines and bring them to the February 15, 2021 meeting for the Council's decision.

In other business, Clerk Gaddy requested one vacation day on Tuesday, January 19, 2021. There was no opposition.

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

Respectfully submitted,

Sonya W. Gaddy  
Clerk

Approved as to form:

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R. Kenneth Helms, Jr., Town Attorney