

**TOWN OF UNIONVILLE
TOWN COUNCIL
MINUTES OF REGULAR MEETING**

The Unionville Town Council met on Monday, January 15, 2024 at 7:30 p.m. in Unionville Volunteer Fire Department #22, 3229 Concord Highway, Monroe, NC. Mayor Baucom 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 Broadway led the prayer of invocation.

Mayor Baucom welcomed everyone and called the meeting to order.

There were no public comments.

Upon motion duly made by Gene Price, seconded by Andrew Benton, Council unanimously approved the minutes of the December 18, 2023 public hearing and regular meeting.

Mayor Baucom recognized Finance Officer Darrell Baucom, who reviewed the Financial Report, a copy of which is appended to these minutes. Mr. Baucom stated that the Balance Sheet reflects normalcy. He has heard that the Pinnacle Money Market account interest will go down about 20 basis points. Currently we are still getting the 4.33 or 4.35 rate, as it is lower due to the general interest rate decrease. In Actual versus Budget, Total Income is \$405,000 which is on track; Interest Income is \$85,000; and ad valorem taxes are \$135,000. Total Expenses are \$149,000; excess of income over revenue is \$255,000, as we have spent some on the Town Hall renovations. In Transactions By Account, the significant item is payment of \$75,000 to Miles-McClellan for Town Hall renovations. In Bills to Be Paid, significant items are \$3,200 to Parker Poe for legal fees; \$10,920 to J.B. Watson for the audit and \$45,187 to Miles-McClellan for renovations. He also received a bill for \$2,500 from Baucom Landscape for the quarter. Upon motion duly made by Gene Price, seconded by Chad Simpson, Council approved pending bills including the Baucom Landscape bill.

Mayor Baucom recognized Mr. Jimmy Hanna from J.B. Watson for the 2022-2023 audit review. Mr. Hanna thanked the Council for their confidence in J.B. Watson and reported that the Town has a clean audit. They encountered no problems at all. He reviewed the report, a copy of which is appended to these minutes. Exhibit A on pages 24 and 25 shows the Income Statement with the budget on the fund basis of accounting. In Actual versus Budget, the Town has a net income of \$314,464, part of which was because of \$89,000 ARP funds. It indicates a net increase of \$225,000 of expenditures prior to the ARP funds, ending with \$3,775,000. In the Net Position Method on Page 2 Exhibit 2, this is another way of keeping track of net income for the Town. The change in net position is \$509,159 and the difference is on Page 5 in The Statement of Revenue Expenditures. This shows all funds of the Town which were received. The net

revenue over expenditures is \$314,000. On Page 6 is the Reconciliation Net changes in Fund Balance are in Exhibit 2. The main difference is how it accounts for capital expenditures. For government activity, you don't write off items in one year; you use depreciation. He drew their attention to the pension plan for employees also. Exhibit 3-1 on Page 3 is the Balance Sheet of all Town funds. The fund balance of \$3,950,000 compares to Exhibit 1, Page 1, Statement of Net Position and Reconciliation on Page 4. This mostly has to do with capital assets as of June 30, 2023. This reflects a very strong financial statement. He referred to the Notes to the Financial Statement on Page 8 and this goes into more details of accounting principles and policies of the Town. Page 29 provides more schedules, such as property taxes not paid as of June 30; current tax levy valuations; how much was collected and the collection percentage. The overall collection percentage is 97.93 percent; motor vehicles are collected at 100 percent and ad valorem taxes are collected at 97.63 percent.

Mr. Hanna drew Council's attention to the one-sheet Financial Statement comparisons and printout of other towns. The purpose is to compare Town of Unionville with other towns in the state in the same category. Based on general fund expenditures, Unionville is in the \$100,000 - \$1,000,000 range. This shows cash balances at the end of the year and fund balance is available, compared to expenditures and gives the percentage. Average for other towns is 202% and Unionville is at 1,118%, which is extremely strong. This figure has gone up in the past three years, as there has been a change in the fund balance by year. The Town more than met the minimum requirements of the state of 8%; Unionville is well over that figure. He referred to property tax collections by year compared to statewide averages, and Unionville is above the average. In Long-Term Obligations, Unionville is part of the state retirement system. Each year an actuary values the retirement system and assigns how much the Town would owe through June 30, 2023 should the Town shut down. The Town would owe \$25,000 for pension for employees, which is a guesstimate. Lastly, there are Federal and State expenditures. The Town received grants from ARP, the Volunteer Fire Department \$50,000 grant and the SCIF grant. Regarding Performance Indicators; the state generates this based on what they report to them. There was one problem. Town of Unionville is ranked in the \$100,000 - \$999,999 category. The Town is at 1,118 percent and the minimum is 71 percent; the average 1 percent. Fund Balance change was negative and does not apply to Unionville. Your budget shows a profit each year, which is a positive. Unionville is being compared to Towns with water and sewer funding and electricity. Page 5 shows the submittal to the LGC on December 1, 2023, which is the deadline. There is no problem with ad valorem taxes but we do expect a decrease in property values. One thing is a material weakness (deficiency). When the Town received the renovation grant, you should have adopted a Project Ordinance for the multi-year budget for that fund. It was adopted last month, so we must address that issue with the state explaining the oversight and that it has been corrected. Finance Officer Baucom has prepared that letter and the Council will need to sign it tonight. Your Finance Officer is bonded up to \$50,000. There is no debt service problem and there were no questions. Again, Mr. Hanna thanked the Council for letting them perform the audit and speak to them.

Mayor Baucom recognized Mr. Doug Buchanan with Wolf Trail Engineering for an update on the Town Hall renovations. He distributed the Proposal Request Log indicating items which have been approved and disapproved and asked to address one item. The rear door is required by ADA and the security proxy reader includes 10 proxy cards for unlocking the doors. The Town can designate who enters the building and when they can enter. If someone leaves the employ or elected office, we can cancel their card with no worries about a key. There will be a \$1,000 credit for not painting the paneling. Kitchen cabinets are being constructed now and the termite remediation is complete. There is a rough estimate of \$750 for the new mailbox; currently the locking mailbox is on a 6x6 post and will be wrapped with the same rock as what will be on the front wall. All of the contingency has been used and the balance is -0-. Commissioner Broadaway made inquiry as to why the kitchen was in parentheses. Mr. Buchanan stated that the contractor removed the \$124 out of the original price to equal \$20,000 for the contingency 0 balance. The rock for the mailbox is not included in the contingency fund. It is full steam ahead since the power pole was relocated on January 12, 2024. Commissioner Jaren Simpson made inquiry as to the move-in date. Mr. Buchanan is estimating March. Mayor Baucom made inquiry as to the grade of the front sidewalk. Mr. Buchanan stated that it is a 4% grade and the walls will be a nice addition and keep water away from the basement. The rock will add an accent for wow appeal. Deputy Clerk Braswell made inquiry as to wing walls. Mr. Buchanan stated that those were the 18" wall around the water cooler but they were cancelled and traded out. The price went from \$1,000 for two walls to -0-. Commissioner Jaren Simpson confirmed that the Town is now out of contingency money but if we choose the security proxy reader there will be a -0- balance. Mr. Buchanan confirmed but stated that we can do a change order to the contractor's contract but we should wait until closer to the end of construction to change. Deputy Braswell made inquiry as to the number of security proxy cards there will be. Mr. Buchanan said it originally comes with 10 cards but more can be added for \$5-\$10 each. Cards may be programmed in-house. There will be a grand master, master and individual keys.. The custody of the keys promotes security. Commissioner Benton made inquiry as to the rock around the mailbox cost of \$750. Mr. Buchanan stated that this fee is mostly labor, as the rock will be leftover from the front. Each rock needs to be cut to fit and it takes a while. He will finalize that cost for the Council. Upon motion duly made by Gene Price, seconded by Jaren Simpson, Council unanimously approved the security proxy readers for the doors at Town Hall. Upon motion duly made by Andrew Benton, seconded by Jaren Simpson, Council unanimously approved the rock for the mailbox at Town Hall.

In other business, Finance Officer Baucom reported that a second state grant of \$250,000 is pending and must be spent by October, 2025, so the Council should begin thinking about how to use it—whether we pay the excess on Town Hall renovations, or give some to Noel Williams Park or the Volunteer Fire Department. Mayor Baucom stated that the Council should decide in the next couple of months. Commissioner Benton made inquiry as to it covering the remaining historical markers. Mr. Baucom stated that it would cover those, but there will still be monies remaining.

In other business, Commissioner Gene Price commended the Unionville Volunteer Fire Department for assisting City of Monroe fight the recent fire at Union County Livestock Auction. He also reminded everyone of the upcoming Legion barbecue on Friday, January 26, 2024 at the Legion hut, which will be drive-through only. In conjunction with that, Mayor Baucom asked the Council to choose a date and time to present the plaque for the Legion hut's large meeting room. The target date is Friday, January 19, 2024. Clerk Gaddy will check with Tommy Maness and John Brewer to organize.

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

Respectfully submitted,

Sonya W. Gaddy
Clerk

Approved as to form:

R. Kenneth Helms, Jr., Town Attorney