

MINUTES OF THE SPECIAL MEETING OF
THE TOWN BOARD OF COMMISSIONERS
TOWN OF WILLIAMSTON, NC

January 27-28, 2017

The Board of Commissioners of the Town of Williamston met in special session on Friday, January 27, 2017 at 5:30 p.m. in the Assembly Room at Town Hall.

PRESENT Mayor: Joyce Whichard-Brown
Commissioners: Mayor Pro Tem Al Chesson, Ronell Rodgers, Jerry Knox, William Coffield and Junious J. Horton
Interim Town Administrator: Brent Kanipe
Town Clerk: Christina Craft
Finance Officer: Linda Harrison
Recreation Director: Allen Overby
Director of Planning and Development: Brent Kanipe
Police Chief: Travis Cowan
Fire Chief: James B. Peele, III
Human Resources Administrator: Martha-Brown Lilley

ABSENT Public Works Director: Kerry Spivey

CALL TO ORDER AND INVOCATION

The Mayor called the meeting to order and welcomed everyone. Commissioner Knox offered the invocation.

PAY STUDY PRESENTATION

Becky Veasley with the MAPS Group, presented a pay study completed for the Town of Williamston. The study updates the classification and pay plan for the Town of Williamston as well as making recommendations concerning personnel policies and fringe benefits. She reported that setting competitive salaries that allow the Town to hire qualified employees and retain the experienced and valuable workforce it has are important components of any salary survey. She provided a table to assist the implementation to adjust pay scales to be competitive. When annual market adjustments (cost of living adjustments) are made to pay ranges to account for inflation and local labor market changes, the whole table should reflect the adjustment, thus maintaining competitive entry level rates of pay. Her recommendation is to phase-in increases as the implementation will be very costly in a single budget year. She recommended a portion of the increase to be based on merit. If there are employees who have recent documented disciplinary action and who are not currently fully performing duties as needed by the town, the manager may delay implementation of any increases that the employee would receive until such time as the employee is fully meeting job requirements. Otherwise, all employees should be treated consistently in the implementation. Ms. Veasley reported that the Town should review the number of holidays, the number of sick days, longevity pay and the possibility of a 1% match on a 401K plan. The Interim Town Administrator reported that the pay study discussion will continue the second day of the retreat.

FINANCIAL OVERVIEW

The Interim Town Administrator and the Finance Officer presented a comprehensive picture of the Town's Finances. A Financial Dashboard was presented showing FY 2015-2016 revenues and expenditures in the General Fund and the Enterprise Fund adjusted to the auditor's final financial report. The Interim Town Administrator reported that the department directors did very well, staying within budget which is how the Town was able to move some money into the reserve fund. Powell Bill is listed separately for tracking purposes only. Those funds are General Funds. The Town has been frugal with Powell Bill funds as the funds are limited and can be used for other large expenses instead of borrowing funds if saved. The Powell Bill expenditures are reported to the State annually. A Financial Dashboard for the first 6 months of current FY 2016-2017 demonstrates that revenue and expenditures for both the General Fund and the Enterprise Fund have been reasonably projected.

The Finance Officer gave the following financial overview of the General Fund Revenue:

- \$ 2,565,503 Available Fund Balance
- \$ 5,856,756 Current Year Revenues
- \$ 197,862 Powell Bill Reserves
- \$8,620,121 Total Available General Fund Revenues

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Expenditures:

\$ 5,705,655 Current Operating Expenditures (less debt service and OPEB Transfer)
\$ 91,101 Total Current Debt Service
\$ 60,000 Total OPEB Transfer

A net of \$207,226 is projected to be available to add to Fund Balance.

The Finance Officer gave the following financial overview of the Enterprise Fund:

Revenue:

\$ 7,386,593 Available Retained Earnings
\$ 4,668,651 Operating Revenue for Water and Sewer Services
\$ 27,589 Principal and Interest payments from General Fund
\$12,082,833 Total Available Enterprise Fund Revenue

Expenditures:

\$ 2,616,325 Water Sales
\$ 1,950,245 Sewer Sales
\$ 174,830 Water/Sewer Capital Projects
\$ 4,741,400 Total Expenditures

A net of \$99,840 is projected to be available to add to Available Retained Earnings.

FINANCIAL COMMITMENTS

The Finance Officer reported that since the process of borrowing money from the Enterprise Fund has recently been denied per the legislature, she is now purchasing approved items with a loan. The soccer field lights were purchased though the General Fund but the police cars have been purchased through loans. The fund balance has increased to 5.94 months of emergency funds. Of the 4 financial commitments in the General Fund, the Powell Bill loan for the Annexation Area "A" is a new addition of \$600,000 and the 3 police cars at \$133,350. The Interim Town Administrator reported that the Powell Bill money and the \$25 increase on vehicle license implemented last year are designated funds to cover street repairs. The \$25 increase on vehicle tax cannot be used on equipment or salaries. The Sales Tax is distributed by assessed values. The US Commerce has noted a 1.6% growth rate which will increase the shared revenues of approximately 2%.

The Finance Officer reported on the status of the Accounts Receivable for utility billing. The Board authorized the movement from a 60 day billing to a 30 day billing which was fully implemented in January 2015. The amount of accounts receivable has decreased with the more aggressive approach. While a large portion of unpaid utility bills have been written off recently, unpaid utility bills are still in the system for collection. The collection of late fees has almost doubled.

Other Post Employment Benefits (OPEB) contribution for 2017 is \$112,620 for a total OPEB contribution of \$422,866. The annual cost is \$339,226. Per direction of the Board, no new employees hired after July 1, 2013 can be added to OPEB. The obligation will decrease dramatically in the next 10 years due to the limitation of new additions. The OPEB funds are in a trust and cannot be used for any other purpose.

Martin County has performed a property revaluation. The estimate given at this time is a 4.79% decrease in property values. To remain revenue neutral, the Town property taxes will need to increase by 4 cents on every \$100 dollar. While the tax amount will increase, the amount the property owner will pay approximately the same amount. The last time a property assessment was done, the Town was able to reduce the tax amount to \$.74/\$100. The Interim Town Administrator recommends that the Town remain revenue neutral.

STATE HEALTH PLAN/RETIREE INSURANCE VERSUS TRADITIONAL EMPLOYEE/RETIREE INSURANCE

The Human Resource Administrator reported that if the Town moves to the State Health Plan for employees, the retirees that are eligible for full benefits under the OPEB plan will have to have a separate comparable plan. The most expensive portion of moving to the State Health Plan is the number of OPEB retirees that retire before they are eligible to receive Medicare. While the maximum number of OPEB eligible retirees could rise to 24 in the next decade, it is more realistic that the majority of the employees will work until retirement age. The approximate number of employees is 10 to 12

retirees every year. In the long run, the State Health Plan will likely have a more stable annual cost as they are not allowing retirees to join the plan.

The current insurance carrier has informed the Town that the cost increase for the upcoming year will be in the single digits. They are aware that the Town is evaluating the State Health Plan. After this year, there is no guarantee that the State Health Plan will be offered to municipalities again. Most municipalities that have been contacted are pleased with the State Health Plan. The out-of-pocket cost with the State Health Plan for current employees and a projected cost of 11 retirees will amount to an approximate increase of \$31,416. If the Town opts to join the State Health Plan, the Town will pay the HSA plan. If the employee chooses one of other plans, the employee will be responsible for any additional cost. The current plan requires the employee to pay the entire \$5,000 deductible before the insurance will pay. The State Health Plan has a co-pay for office visits that is not available on the current plan. A decision will need to be made by March as to whether to join the State Health Plan.

COMMISSIONER-ADMINISTRATOR VERSES COUNCIL-MANAGER FORM OF GOVERNMENT

The Interim Town Administrator reported on the basic differences on the two forms of government, Commissioner-Administrator and Council-Manager. The current form of government is the Commissioner-Administrator. In the Commissioner-Administrator form, the Board provides the Administrator certain authority. The Board will determine the Administrator duties and authority. Typically, the Board hires and fires all Department Director positions, what level of contracts and spending can be approved by the Administrator and what must come before the board for consideration, the Board sets and implements policy with the Administrator managing the daily operations and tasks. This type of government places a greater responsibility on the elected officials to be responsive to the voters.

In the Council-Manager, the Council is responsible for hiring and firing the Manager, the tax collector and possibly the Police Chief. While the Administrator receives authority from the board, the Manager receives authority through State Statute. The Manager can enter into any contract for the town. The Board provides direction and the Manager carries out that direction. The title of Manager carries more prestige. In this form of management, the Board can defer to the Manager to be responsive to the voters.

There are several different ways to change the form of government. The board can vote to change after a public hearing is held. Another way to change is to do a voter referendum. A third option request a local bill to be passed by the legislature. The Mayor questioned if she or any commissioner could approach the directors individually in the Council-Manager form of government. The Interim Town Administrator reported that while that could continue if stated in the policy, but future candidates may demand that all conversations go through the Manager. While the Manager can not mandate, he or she will have the power to make it difficult on the directors if all conversations are not handled through the Manager's office. While the current form of government is Commissioner-Administrator, the Board has provided the authority to the Town Administrator to operate more as a Manager with the exception of hiring and firing the directors. The change to form of government was mentioned as it may make the open position for Town Administrator more appealing to candidates. According to the League of Municipalities, it is permissible to label the Town Administrator as a Town Manager as it is not a captive title. The larger municipalities have a higher percentage of Council-Manager form of government. If the change is made, the Town will be required to maintain the new form of government for two years.

CLOSED SESSION

At 9:14 p.m., it was moved by Commissioner Horton, seconded by Commissioner Knox and unanimously passed to go out of Open Session and into closed session to address a Personnel Issue per N.C.G.S. 143-318.11 (a) (6).

At 9:25 p.m., it was moved by Commissioner Chesson, seconded by Commissioner Horton and unanimously passed to go out of Closed Session and into Open Session.

RECESSED

There being no further business, the Mayor recessed the meeting at 9:25 p.m. and will reconvene the meeting January 28, 2017 at 8 a.m.

Saturday, January 28, 2017

Present Mayor: Joyce Whichard-Brown
Commissioners: Al R. Chesson, William Coffield, Ronell Rodgers, Junious J Horton and
Jerry Knox
Interim Town Administrator: Brent Kanipe
Town Clerk/Administrative Assistant: Christina Craft
Finance Officer: Linda B. Harrison
Human Resources Administrator: Martha-Brown Lilley
Recreation Director: Allen Overby
Planning and Development Director: Brent Kanipe
Police Chief: Travis Cowan
Fire Chief: James B. Peele, III
Public Works Director: Kerry Spivey
Zoning and Planner: Jamie Heath

Absent None

WELCOME

The Mayor welcomed everyone. Commissioner Knox offered the invocation.

DEPARTMENT UPDATES / LONG RANGE NEEDS

Parks and Recreation

The Recreation Director reported that the first of the two public input meetings have been held for the Gaylord Perry Park Master Plan. After the next public input meeting to be held February 15th, the architect will develop concept drawings with several options for review. After the plan is completed, the project will be incorporated in the Capital Improvement Plan. A Parks and Recreation Trust Fund Grant application will be completed for the board to review. The grant requires a 50% match. There are other grant possibilities that will be considered to limit the amount of funding required from the General Fund. While there are many tournaments scheduled on the weekends, very few of the tournaments are held. Martin County Travel and Tourism is offering a \$25 sign-on that will be sent to the booking agent to promote the tournament bookings.

At the last retreat, the Board had allocated \$500 for the water bill and \$3,500 for lights to the Williamston Youth Baseball League for the utilities. The Williamston Youth Baseball League opted to return to the use of a private well for the water but the electricity remains in the Town's name. An energy audit was performed as directed by the Board and discussed with the previous Town Administrator. Some utility saving measures include the use of motions sensor lights in bathrooms, winterizing the soccer building to reduce heating costs and changing some parking lot lights to timer operated lights. He reported that Williamston Youth Baseball League would like the Town to continue to keep the electricity in the Town's name. In the 2015-2016, the total light bill was approximately \$3,800. Two years prior, the annual amount was at least \$4,000. The Recreation Director has been monitoring the current bill and the bills seem to be on target. Last year, the League installed a gate to prevent any after-hours usage. He also recommended that some of the meters should be turned off during the off-season to prevent paying the minimum payment. His recommendation is to enter into a memorandum of understanding to keep the costs reasonable and leave the electricity in the Town's name. It is a hardship on the League as they are not incorporated which is a requirement to put the power in the League's name. It would have to be put in an individual's name which is subject to change often.

There has been interest in starting a 7 – 8 year old division in tackle football. If the Town is interested in starting a 7 – 8 year-old division of tackle football, new equipment would have to be purchased at an approximate cost of \$150 per child. Commissioner Chesson expressed concern for the return on investment and safety of tackle football for second and third grade children. The Recreation Director reported that the league does not have a division for flag football in that age bracket.

Public Works

The Public Works Director reported that street repairs generally fall into 3 categories: utility repairs (patching), paving & engineered street improvements. While the department is limited to utility repairs, paving has been accomplished in the last few years by soliciting the help of paving contractors to work with town staff to pave a street or a section of street. This is generally with limited work being done on water, sewer or drainage lines. An example would be Plymouth Street, from Union Avenue to Central Avenue which received some attention to the road base and a pavement overlay in 2016 at an approximate cost of \$27,000. There are multiple roads that have been identified as priorities and approximate costs were provided. He is recommended more funding to be allocated to street repairs. Other streets may be affected by projects that have been, and still are, identified by the town's engineers as "needs." These items include water transmission mains and fire improvement projects. Other projects might involve the water main sizes in certain areas of town. There is a need to improve the water mains in the areas of Ray, Beech, Hatton and Harrell Streets. Such a project would require the excavation of much of the street surfaces thereby requiring them to be re-surfaced. The Interim Town Administrator reported that the Asset Inventory Assessment (AIA) is currently being conducted and once completed, Rivers and Associates should give recommendations. It would be prudent for the Town to review the AIA as that information will be most current.

Fire/Rescue/EMS

The Fire Chief submitted an annual report of operations for the year. The Rescue department has been providing Advanced Life Support (ALS) for over six months. It was discovered that the billing agency has not filed any of the services at the higher level of care. The agency will have to submit corrective claims for all of the ALS calls. Approximately 65% of the calls are ALS and can be billed at a higher amount. The Chief reported that he plans to retire in the next year. The Interim Town Administrator reported that if a temporary assistant position was created for training purposes, that position would be a temporary addition. The Chief reported that there are several employees on staff that would apply. The Chief reported that he would discuss with his staff and report back to the Board.

Police Department

The Police Chief reported that crimes have significantly decreased from 2015 to 2016. Violent crime decreased by 40%, property crime down 19%, and Part II Offenses 8%. The vehicle replacement cycle used for the last 5 years is working well for the department. The repair costs have decreased. The department is in need to allocate space for interview rooms which is a safety concern. Town Hall needs a full-time service for cleaning and maintenance as the current service is not sufficient. The Interim Town Administrator reported there is a part-time position already allocated but the person has been out on sick leave. The Town has been using a temporary service. Advertising for the position will begin soon for cleaning and maintenance. The Chief updated the Board on the status of the body camera project. Watch Guard will be onsite to finalize updates on the database service and to train all of the employees for the use of body cameras will begin February 14-15. The body cameras should be put in service soon.

Planning, Zoning, and Economic Development

The Planning and Development Director submitted an annual report for the Planning and Development department. In economic development, there have been 5,360 of new or redeveloped space added. Of the total available privately owned properties, there is 98,400 square footage of vacant space. There have been 21 new businesses opened in 2016. The county-wide Strategic Economic Development Plan has been adopted by all participating members. The steering committee is leading the implementation process forward. To encourage new businesses, there will be an Entrepreneur Expo at the Senator Bob Martin Center. Channel 9 is including the Entrepreneur Expo Tuesday to help promote. The property tax and sales tax growth indicates a 41% increase of economic growth in the community in 11 years. The Downtown Williamston will hold the annual Appreciation Dinner on March 23, 2017. The event will incorporate a long-range planning session to be led by Bob Murphrey. He is a retired Main Street Coordinator with the Department of Commerce and has extensive background in Main Street Planning and implementation. This should be a great opportunity to capture a new and positive focus for downtown redevelopment goals and strategies. The Legislature earmarked almost \$1 million for local communities for tie-ins on bills. The Director recommended that the Board approach Senator Willingham and

Representative Smith-Ingram to request funds for downtown. He had requested that Jamie Heath attend the Strategic Planning Session as he believes that she is a good candidate for his replacement. He encouraged all department directors to groom staff to succeed them as many are near retirement age.

Capital Improvement Plan (CIP) Discussions

The Interim Town Administrator reported that the CIP will be continued to be under review as the budget is completed. A listing of each department needs were shared with the Board. There are many items that need to be addressed in the Town Hall building. Changes that are needed include better access to the Police Department, interview room, handicap accessibility issues and changes are also needed to the Fire Department building to accommodate the larger vehicles also need to be addressed. A better use of funds would be to move forward with the renovation instead of the repairs and remodel projects if the Town plans to address the space issue in the next couple years. He recommends that the architectural and engineering drawings to be updated in the upcoming fiscal year. Financing options such as grants and USDA loans can be researched once the architectural and engineering drawings are updated.

The Planning Department's Long Range Plan requires an update. It will take approximately \$18,000. This is very important in obtaining grants to have a current Long Range Plan. Under Administration, computers are purchased on a rotation cycle to alleviate a one-time large need.

The Fire Chief reported that, in 2018/2019, a new pumper truck will need to be purchased. The trucks are purchased on a rotation cycle. The current loan will be paid in full during the first of 2018. The new truck is larger than the current building is able to house. The generator is approximately 36 years old and is due for replacement. The lower part of the roof will need to be repaired as there is a small leak. This is one of the expenses that will need to be considered under the building renovations. If the Town chooses to extend the existing building to house the larger vehicles, it is probable that a change will have to be made to the roof to accommodate the bay extension. The driveway is not currently listed in the CIP but needs to be addressed as the asphalt is in bad shape.

The Parks Director reported needs for the Gaylord Perry Park to include the lobby renovation, weight equipment, and air conditioning for the gym. Once the Gaylord Perry Park Master Plan has been completed, there may additional recommendations. Martin County Schools do utilize the tennis courts. The courts are not due to be resurfaced until 2019-2020. The Parks Director reported that the architects are willing to personally visit with each Board member for an approximate cost of \$1,000 or is willing to call each regarding the Gaylord Perry Park Master Plan. Commissioner Chesson reported that it would be more advantageous for the Board to participate in the public input meeting.

The Public Works Director reported that Sanitation, Sewer and Cemetery Department needs consist of the normal rotation of equipment. The metal roof on the building leaks and needs to be repaired. The primary water supply transmission mains are scheduled for repair/replacement. These items will be reassessed after the Asset Inventory Assessment has been completed.

The Interim Town Administrator reported that there are over \$2 million in capital project needs. He recommended that the Board contact Senator Willingham and Representative Smith-Ingram for funds to assist with our needs. Grant opportunities will continue to be explored to offset the costs. The Finance Officer reported that staff will need direction in the upcoming month to aide in developing and balancing the next year budget.

Continued Discussion of Pay Plan and Position Classification Plan

Commissioner Chesson reported that the pay study review presented by the MAPS Group showed the Town is 25% behind some of the neighboring municipalities. He recommends moving forward with the plan at a measured pace. The first step will cost approximately \$200,000. The Finance Director reported that the goals are to increase the hiring rate and to appreciate longevity. The first option provided by the MAPS Group would cost the town over \$400,000. The second option was at 97% of the original quote. The Finance Director and the Human Resources Administrator reviewed the option and provided the Board with 94% of the original quote to include a ½% increase for years of service and a 1 ½ % guarantee for all employees. The grade classification was adjusted to include all exempt employees and the minimum rate. The grade classification was also adjusted in the Fire/Rescue and Public

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Works as the current grade did not properly reflect employees that have obtained additional certifications. The maximum rate was excluded at this time. The schedule allows for all employees to reach the minimum bracket and all employees to receive an increase. There is a 2.5% increase from the hiring rate to the minimum. The Finance Director recommended a three year plan to be implemented within the next 16 months. All merit increases in the plan are at the Department Manager's discretion. The Plan would include the adoption of the option of the 94% of the original quote and allow a 1/2% merit increase that would be at the Department Manager's discretion to be implemented in March 2017. In July 2017, the plan includes a 1 ½% / CPI (Consumer Price Index) increase with a possibility of ½% merit increase. In July 2018, the plan will include a 2% / CPI Increase and a 1/2% merit increase. The recommendations would not involve a tax increase. Commissioner Chesson reported that he approved of the plan as it includes a merit based pay increase to reward the employee's performance. The Interim Town Administrator reported that the Board will need to adopt the pay plan and grade classification to begin the process of implementation. There is surplus in the current year that will cover implementation of the pay plan and grade classification at an approximate cost of \$38,000. The future increases presented will have to be considered and adjusted every budget year. The Finance Officer also reported that the number of holidays and vacation are less than other municipalities.

Vision Review

The Interim Town Administrator presented the current vision statements to the Board. Each Vision Statement was discussed as to what extent the goals are relevant and obtainable. Each of the Board and staff were asked to share individual visions for town. The Interim Town Administrator distributed a form that he would like each to complete and return.

ADJOURNMENT

There being no further business, the Mayor declared the meeting adjourned at 9:14 pm.

Submitted By:

Approved By:

Town Clerk

Mayor