



Town of Micro
Board of Commissioners Meeting MINUTES
Tuesday – May 9, 2023
7:00 p.m.
Micro Town Hall

Board of Commissioners Present:

Marty Parnell, Mayor
Kevin Worley, Mayor Pro Tem
Coy Stanley, Commissioner
Katy Garcia, Commissioner

Staff Present:

Lisa Lee, Deputy Town Clerk
Johnny Stanley, Public Works Director

Others Present:

Lee Worsley, Triangle J COG
Nancy Medlin, Triangle J COG
Kimberly Moffett, Interim Town Clerk

1. CALL TO ORDER

- Call to Order
- Pledge of Allegiance
- Invocation

Mayor Parnell called the meeting to order at 7:02 p.m. The Mayor led everyone in the Pledge of Allegiance and Commissioner Stanley shared the Invocation.

2. PUBLIC COMMENT

A resident Question regarding suggestion about suggestion box

3. ADJUSTMENT/ADOPTION OF THE AGENDA

- a. Adjustments to the Agenda

It was requested that three additional items be added. The first item will go under Consent for a Resolution Directing Town Clerk to Certify Sufficiency of Annexation Application. Two items will go under New Business. The first will be reference a Resolution Authorizing Johnston County to collect property taxes and the second is a contract regarding correctional facility offender/labor program.

- b. Adoption of the Agenda

ACTION: Adoption of Agenda with adjustment as noted above

Motion: Commissioner Garcia
Second: Commissioner Stanley
Vote: Unanimous

4. CONSENT AGENDA

(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Board may request to have an item removed from the consent agenda for further discussion.)

- a. Draft Minutes
- April 11, 2023 – Regular Meeting

- b. Resolution Directing Clerk to Certify Sufficiency – 2023-10-ANX
- Resolution #2023-07

ACTION: Adoption of Consent Agenda as Presented

Motion: Commissioner Stanley

Second: Commissioner Garcia

Vote: Unanimous

5. SPECIAL PRESENTATION/INTRODUCTIONS

6. FINANCIAL REPORT

- a. '21-'22 Audit Report
Presenter: Lee Grissom - S. Preston Douglas

Mr. Grissom joined the meeting via Zoom and presented details regarding the FY '21-'22 audit. He stated the audit was late being submitted. He further stated due to numerous staff turnover, a good portion of the required information was difficult to gather.

Mr. Grissom stated the audit was clean and had been submitted to the Local Government Commission (LGC). It was accepted by the LGC on April 24, 2023.

He further stated that the previous two audits were also very late. He offered his thanks to the COG staff for their assistance.

He stated there were no issues with management, no fraud nor was there a need for an additional auditor to be consulted.

He shared information that included bank reconciliations need to be completed on a timely basis moving forward. He also spoke about segregation of duties, which is acknowledged can be difficult in a small municipality.

He stated there were budget overages in the General Fund in multiple departments. He stated he did not feel there was any fraud, simply previous employees not having a financial background and not understanding the process. He further stated that submission of late audits speaks to internal control and being able to have the books ready for a timely audit is extremely important. He stated with reference to financial reporting and record keeping several accounts were not being accounted for appropriately. He shared information about non-compliance related to debt service ratio and stated general fund reserve was not in good shape. He stated the general fund was trending downward as well as the number of months in reserve. He stated it was extremely important for this to turn around.

With reference to the Water Sewer Fund it has been in the negative for the past two years and it is extremely important it be in the positive.

With reference to property tax collection, the state average is 98-99% and Micro was slightly lower.

He stated it was very important to get a handle on the current financial situation.

- b. Financial Update
Presenter: Lee Worsley, Exec. Director - Triangle J Council of Governments

This item was presented under Old Business – Triangle J Update.

7. PLANNING BOARD REPORT

- a. Planning Board Report
Presenter: Planning Board Representative

There was no report from the Planning Board as the April 2023 meeting was cancelled. The next update will be provided at the June 13, 2023 Board of Commissioners meeting.

8. POLICE REPORT

- a. Police Department Monthly Update
Presenter: Macon Jones, Police Chief

Chief Jones was not able to attend the meeting this evening. He provided a written monthly updated report, which was included in the agenda packet. Commissioner Stanley shared the report.

9. PUBLIC HEARINGS

10. NEW BUSINESS

- a. Resolution – Daily Bank Deposits
Presenter: Kimberly A. Moffett, Interim Town Clerk
- Resolution #2023-04

Ms. Moffett shared information regarding this Resolution. She stated NCGS requires a daily bank deposit for municipalities. She further stated that if it were the desire of the governing board to allow for the requirement of a set amount versus a daily deposit that could be done via Resolution.

ACTION: Motion to Adopt Resolution # 2023-04

Motion: Mayor Pro Tem Worley

Second: Commissioner Stanley

Vote: Unanimous

b. Resolution - Adopting Charter Amendment of Triangle J COG

Presenter: Lee Worsley, Executive Director – Triangle J Council of Governments

- Red Line Version
- Clean Version
- Resolution #2023-05

Mr. Worsley provided detailed information regarding proposed charter amendment for Triangle J Council of Governments as well as a rebrand. He shared details about the history and process. He shared details regarding the name change and how it no longer was the most appropriate name as the COG now represents many municipalities outside of the Triangle. He stated the proposed charter changes must be approved by 2/3 of current membership. He stated the goal was to have everything in place and ready for the change by July 1, 2023.

The new name will be Central Pines Regional Council. Mr. Worsley shared details about the purpose and vision. He requested that the board consider adoption of the Resolution, accepting the proposed changes to the COG.

ACTION: Motion to Adopt Resolution #2023-05

Motion: Commissioner Stanley

Second: Commissioner Garcia

Vote: Unanimous

c. Presentation of FY 2023-2024 Recommended Budget

Presenter: Lee Worsley, Executive Director – Triangle J Council of Governments

Mr. Worsley provided details regarding the proposed FY '23-24 budget. He stated a Public Hearing would be held to allow for public comment and input. He further stated potential adoption of the budget would take place at a Special Meeting following the Public Hearing. He stated the proposed date for the Public Hearing would be June 13, 2023, which is a regular board meeting and the proposed date for the Special Meeting, where the '23-'24 budget would potentially be adopted, would be June 15, 2023.

Details were shared regarding the difference of the General Fund and the Water Sewer Fund. He stated the Water Sewer Fund is an "enterprise" fund, which must stand on its own and is funded through fees collected by the town for water and sewer.

There is a proposed overall reduction of 20% in the General Fund. There is no fund balance appropriated to create a balanced budget. There is no proposed property tax increased and no significant changes to levels of service being proposed.

A 2% water sewer rate is recommended. It was further stated that even with a 2% increased the water sewer fund is only breaking even and this is a dangerous position to be in with an aging system. It was further stated the possibility exists there may be a higher increase based upon any increase approved by the County and/or the Town of Kenly.

There are no salary increases proposed. Additionally, the town will not be able to offer health insurance to employees. This budget will not fill the current vacancies of the Town Clerk or the Finance Officer and also leaves all part-time police positions vacant. The part time Public

Works employee hours would be cut from an average of 24 hours per week to 12 averages per week. There was discussion about being able add a NC Local Government LEAD Fellow to the town. This position will be offered to the town at a greatly reduced cost of \$25,000 annually. This position would be a full-time person for the town and with the addition of a full-time staff person to the town, it will allow for the hours of town hall to be reconsidered.

Mr. Worsley stated that high level the town is in a good position.

ACTION: Set Public Hearing for June 13, 2023 & Set Special Meeting for June 15, 2023

Motion: Commissioner Garcia
Second: Commissioner Worley
Vote: Unanimous

- d. Resolution Authorizing Johnston County to Collect Taxes on Behalf of the Town of Micro
Presenter: Kimberly A. Moffett, Interim Town Clerk

Ms. Moffett provided information regarding the annual requirement to authorize Johnston County to collect property taxes on behalf on municipalities. This Resolution authorizes Johnston County to collect all property tax for the Town of Micro for FY '23-24.

ACTION: Adoption of Resolution #2023-06

Motion: Commissioner Stanley
Second: Mayor Pro Tem Worley
Vote: Unanimous

- e. Correctional Facility Inmate Labor Work Program Contract
Presenter: Johnny Stanley, Public Works Director

Mr. Stanley provided details and stated the cost to the town for daily manual laborer is \$1.00 per day. Currently, the worker is at the town 3 days a week.

ACTION: Approval of Contract

Motion: Commissioner Stanley
Second: Commissioner Garcia
Vote: Unanimous

11. OLD BUSINESS

- a. Triangle J Assistance to Micro – Monthly Update/Report
Presenter: Lee Worsley, Exec. Director – Triangle J Council of Governments

Mr. Worsley provided a monthly update of service to the Town. He stated it was required that we provide a draft budget to the LGC no later than May 15, 2023. Following submission to the LGC, they will review and provide feedback. It was further stated that a draft version was submitted to the LGC and if there are any questions from them the COG will keep the board updated and information.

Mr. Worsley addressed some of the findings of the audit and how we are assisting in clearing up some of the concerns. He stated that Ms. Medlin has completed all bank reconciliations through May 2022 for the General Fund. We still need to complete the reconciliations for the Water Sewer Fund. It is hoped that with the completion of the bank reconciliation it will greatly assist the auditor and make the process smoother.

Ms. Medline provided information and details about the lack of bank reconciliations. She stated the current financial software had not been utilized. It is now set up and working properly. She further stated that once everything is completely caught up, she will be able to quickly hand everything over to the auditor. She further stated that once everything related to FY '21-22 is caught up she will begin to train Ms. Lee who will take over the handling of this project. Moving forward, everything will be much easier once cleaned up and standardized.

The board offered their thanks and appreciation to Ms. Medlin for her assistance and dedication.

Mr. Worsley stated that he fully expected to see mention of over expenditures in the next audit but following that it is hoped that finding will cease. He stated that a Purchase Order System has been set up that allows every single line item to be seen. He further stated that when required budget amendments can be completed. He further stated he felt good and feels we may have gotten the budget stabilized without having to use any many funds as initially thought would be necessary. He further stated the hope is that large fund balance appropriations may be able to be reduced.

It was stated that a Budget to Actual was also due to the LGC by May 15, 2023. He stated this report was submitted yesterday. Details regarding the summary report were provided. While we are still concerned about the cash position, it is hoped that ARPA funds will help to build that cash position back up.

The Powell Bill Fund balance is approximately \$87,000. Mr. Worsley thanked Mr. Stanley for his assistance with using these funds for required street repairs.

It was stated that the Community Building Renovation Fund balance stands at approximately \$280,000.

Mayor asked if we would still be using approximately 50% of ARPA Funds. Mr. Worsley stated approximately \$80,000 had been identified as eligible expenses for these funds.

There was a brief discussion regarding the Town of Kenly and a proposed 3% increase. It was stated we will need to wait and see what increase the Town of Kenly approves. Any increase Kenly approves will be passed onto to Micro residents.

It was also stated that we needed to verify with the Johnston County Board of Elections previous election costs and then add those to the budget for the 2023 elections.

12. COMMISSIONER REPORTS

Commissioner Garcia shared information about upcoming events including the Endless Yard Sale which will be held June 16 & 17. Additionally, it was agreed that any panhandling permit fees would be waived for the month of June.

Movie nights will be held on June 24 and July 8, with rain dates of July 1 and July 15. Goonies will be shown on June 24 and Hook will be shown on July 8. It was stated that should there be any suggestions to please reach out. Additionally, the PTA from Micro Elementary School will be there selling popcorn and snow cones.

13. BOARD REPORTS

14. ADJOURNMENT

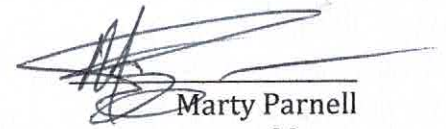
- a. Adjourn the Meeting

With there being nothing further, the meeting was adjourned at 8:10 p.m.

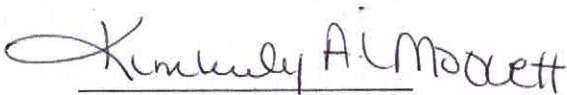
ACTION: Motion to Adjourn

Motion: Commissioner Garcia
Second: Commissioner Stanley
Vote: Unanimous

Duly adopted this the 13th day of June 2023 while in regular session.


Marty Parnell
Mayor

ATTEST:



Kimberly A. Moffett
Interim Town Clerk

