

MINUTES OF MIDWAY TOWN COUNCIL REGULAR MEETING HELD ON DECEMBER 1, 2014 AT 7:00 P.M. AT TOWN HALL, 125 GUMTREE ROAD IN MIDWAY, NORTH CAROLINA

CALL TO ORDER

Mayor Norman Wilkes called the meeting to order and welcomed everyone present.

Reverend Dan Nelson, Youth Minister at _____ gave the invocation and led in the Pledge of Allegiance prior to the opening gavel.

Councilors present were: Mike McAlpine, John Byrum, Keith Leonard, Robin Moon and Todd Nifong. Absent: None. Town Manager Ryan Ross, Town Attorney Jim Lanik, and Town Clerk Linda Hunt were present.

Each Councilor had been furnished an agenda prior to the meeting.

No members of press were in attendance.

APPROVAL OF MINUTES

On motion by Mayor Pro Tem Mike McAlpine, seconded by Councilor Todd Nifong, Council voted unanimously to approve the minutes of the November 3, Town Council Regular meeting as presented.

PUBLIC ADDRESS

Mr. Dan Wishnietsky, 300 Bent Oak Drive, addressed Council to urge the Council to not take any shortcuts in the renovation of the house for Town Hall and to use only the best quality materials even it costs more to do so. Mr. Wishnietsky said once the project is completed, Town Hall should be something the community is proud of.

ADOPT AGENDA

The order of Items 4 and 5 under VIII. REGULAR BUISNESS regarding renovations of the house were reversed.

Councilor John Byrum proposed the agenda be amended to add a Closed Session in accordance with NCGS 143-318.11(a)(3) to discuss attorney-client privilege matters.

On motion by Councilor Byrum, seconded by Mayor Pro Tem Mike McAlpine, Council voted unanimously to adopt the agenda as amended.

OPENING REMARKS BY MAYOR

Mayor Norman Wilkes commented that the Midway Christmas Parade was very successful and the Town of Midway float was beautiful.

PRESENTATION

AUDIT REPORT FOR YEAR ENDING JUNE 30, 2014 - TONY BREWER, EDDIE CARRICK, CPA, PC

Mr. Tony Brewer of Eddie Carrick, CPA, PC, 151 Young Drive, Lexington, North Carolina, presented the audit report for the Town of Midway for year ending June 30, 2014. Council had been provided copies of the audit report prior to the meeting to give Council the opportunity to review the report and to be prepared to ask any questions they may have.

Highlights from the audit report are as follows:

Financial Highlights

- The assets of the Town of Midway exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,605,786 (net position).
- The government's total net position increased by \$439,130, due to increases in the governmental type activities net position.
- As of the close of the current fiscal year, the Town of Midway's governmental fund reported an ending fund balance of \$3,650,909 with a net increase of \$359,729 in fund balance. Approximately 4 percent of this total amount, or \$142,536, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,508,372, or 436 percent of the total General Fund expenditures for the fiscal year.
- The debt for the Town decreased by \$98,857 due to principal payments of \$100,000 and an increase in accrued vacation of \$1,143.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are summarized into one category: governmental activities. The governmental activities include most of the Town's basic services such as general administration. Property and sales taxes finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Midway, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Midway can be summarized into one category: governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year.

The Town of Midway adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted.

Mr. Brewer concluded his presentation of the audit reporting the Town received an unqualified opinion which is the highest rating that can be given.

On motion by Mayor Pro-Tem Mike McAlpine, seconded by Councilor John Byrum, Council voted unanimously to accept the audit report as presented.

A complete copy of the Audit Report for Year Ending June 30, 2014 is on file at Town Hall for public inspection.

REGULAR BUSINESS

BUDGET AMENDMENT – FINANCIAL GRANT TO THE MIDWAY FIRE AND RESCUE DEPARTMENT – BA-1-15

At its regular meeting on November 3, 2014, Town Council received a grant application from the Midway Fire and Rescue Department requesting the Town's financial support in the amount of \$38,950 for the pavement of an additional parking area at the rear of the station. The Fire and Rescue Department is undertaking a new project to construct a facility to provide additional training for its personnel to better serve the area residents. At that meeting, Town Manager Ryan Ross advised Council only \$5,000 was budgeted for grants in the current fiscal year budget. After discussion, Council decided it would be willing to grant \$10,000 for pavement of the additional parking area at the rear of the station. It was determined that a budget amendment would be needed to increase the funds for grant expenditures.

On motion by Councilor John Byrum, seconded by Councilor Robin Moon, adopted Budget Amendment (BA-1-15) to appropriate an additional \$5,000 for grant expenditures.

Town of Midway
Budget Amendment
For Year Ending June 30, 2015
BA-1-15

Be it ordained by the Town Council of the Town of Midway, North Carolina at its regular meeting on the 1st of December, 2014 at 7:00 p.m. that the following budget amendment be adopted to appropriate for grant expenditures.

	Increase (Decrease)
General Fund	
Grant Expenditures	\$5,000
Fund Balance Appropriated	(\$5,000)

FINANCIAL GRANT REQUEST - MIDWAY FIRE AND RESCUE DEPARTMENT

On motion by Councilor John Byrum, seconded by Mayor Pro Tem Mike McAlpine, Council voted unanimously to award the Midway Fire and Rescue Department a financial grant in the amount of \$10,000 to be used for pavement of an additional parking area at the rear of the building as part of the new training facility project.

CONTRACT WITH GRIFFITH & THOMAS CONSTRUCTION COMPANY, LLC - RENOVATION OF HOUSE FOR TOWN HALL

The order of this item (Item 5) was reversed with Item 4 (Budget Amendment – Renovation of House for Town Hall) at the time the agenda was adopted.

Councilor Todd Nifong, Chairman of the House Renovations Committee, distributed new copies of the proposal to renovate the existing residential structure at 426 Gumtree Road, Winston-Salem, North Carolina, for use as a new Town Hall for Midway, noting that the only modification was to change the date of the proposal to December 1, 2014. The scope of the work remains the same and includes:

Change Order #1: Adds an enclosed handicapped ramp to the rear of the existing building per drawings and an additional toilet in a separate restroom area beside the existing restroom per drawings. The new restroom will be handicapped accessible with appropriate fixtures and accessories.

Change Order #2: Upgrades lighting to LED.

Councilor Nifong stated that when he talked to Frank Thomas of Griffith & Thomas Construction Company, LLC about changing the date on the proposal, Mr. Thomas informed him that the proposal would be a binding contract once approved and signed by both parties. As far as a timeline for the project, Mr. Thomas told Councilor Nifong that once the plans are finalized, they have to be submitted to the County for review and approval which Mr. Thomas estimates could take between four to six weeks to hear back from the County. Mr. Thomas estimated the work on the project could begin at the end of January or the first of February, 2015.

Discussion followed. Among the questions asked, comments made and concerns expressed by Council and staff were:

- How much additional cost is Council willing to pay for change orders?
 - Safety net is needed.
- Frank Thomas requested that Council assign one contact person for Griffith & Thomas to deal with to transact day-to-day business matters regarding the renovation project.
 - Council was in agreement that the contact person be Councilor Todd Nifong since he chairs the House Renovation Committee.
- Town Attorney Jim Lanik indicated there are a number of legal matters that need to be addressed in a contract that are not included in the Griffith & Thomas proposal in order to protect the City's interest. Council directed the Town Attorney to proceed with drafting a new contract to that effect.
- Maximum limit for renovation set at \$300,000.
- In favor of Change Orders 1 and 2.
- Councilor Byrum suggested amending the contract to include both change orders and set \$350,000 as the maximum for the renovations.
- Councilor Moon agreed to include the Change Orders in the contract but he expressed his concern regarding the selection of the color of paint and carpet. He wants Council to have input on matters such as that.
 - Councilor Nifong said that Mr. Thomas had advised him that the Mr. Thomas plans to meet with the Town contact person regarding choosing colors, flooring, etc.

On motion by Councilor John Byrum, seconded by Mayor Pro Tem Mike McAlpine, Council voted unanimously to approve the proposal submitted by Griffith & Thomas Construction Company, LLC, including Change Order #1 to add an enclosed handicapped ramp to the rear of the existing building per drawings and an additional toilet in a separate restroom area beside the

existing restroom per drawings and Change Order #2 that upgrades the lighting to LED, contingent upon the Town Attorney's approval.

On motion by Mayor Pro Tem Mike McAlpine, seconded by Councilor John Byrum, Council voted unanimously to appoint Councilor Todd Nifong as the Town's contact person to meet with representative(s) from Griffith & Thomas Construction Company, LLC for decisions regarding the house renovations and to authorize Councilor Nifong to negotiate and authorize changes to the original proposal that could result in additional costs up to \$5,000.

BUDGET AMENDMENT – RENOVATION OF HOUSE FOR TOWN HALL

The order of this item (Item 4) was switched to Item 5 (Contract with Griffith & Thomas Construction Company, LLC – Renovation of House for Town Hall) at the time the agenda was adopted.

On motion by Councilor John Byrum, seconded by Mayor Pro Tem Mike McAlpine, Council voted unanimously to adopt Budget Amendment (BA-2-15) to appropriate funds for Town Hall remodeling and site preparation.

Town of Midway
Budget Amendment
For Year Ending June 30, 2015
BA-2-15

Be it ordained by the Town Council of the Town of Midway, North Carolina at its regular meeting on the 1st of December, 2014 at 7:00 p.m. that the following budget amendment be adopted to appropriate funds for Town Hall remodeling and site preparation.

	Increase (Decrease)
General Fund	
Town Hall Remodeling	\$100,000
Site Preparation	\$100,000
Fund Balance Appropriated	(\$200,000)

TOWN MANAGER'S REPORTS

UPDATE ON STREET LIGHTS

Town Manager Ryan Ross reported that both Duke Engery and Energy United serve parts of Midway School Road; therefore, the Town will be dealing with both electric suppliers to have street lights installed along Midway School Road. Duke Energy will install six lights up to Midway Elementary School and Energy United will install lights from Norman Shoaf Road to Midway Elementary School. The street lights installed will be LED lights. The monthly cost for each light will be \$13.83.

Councilor Robin Moon stated he still wants to know the costs for street lights for Norman Shoaf Road.

RECESS TO CLOSED SESSION

This item was added to the agenda.

On motion by Mayor Pro Tem Mike McAlpine, seconded by Councilor Keith Leonard, Council voted unanimously to recess to closed session in accordance with **N.G.G.S. 143-318.11(a)(1)** for the purpose of attorney-client privilege.

RECONVENE TO OPEN SESSION

On motion by Councilor Robin Moon, seconded by Councilor Todd Nifong, Council voted unanimously to reconvene to open session.

ADJOURNMENT

On motion by Councilor Robin Moon, seconded by Councilor Todd Nifong, Council voted unanimously to adjourn the meeting.

Norman L. Wilkes, Mayor

Linda A. Hunt, Town Clerk