



**Stanley Town Council Meeting
Official Minutes
Monday, February 4, 2019**

The regular monthly meeting of the Stanley Town Council was held on Monday, February 4, 2019 at Stanley Middle School. The following elected officials and staff were present:

Steven Denton, Mayor
Cathy Kirkland, Mayor Pro-Tem
Rob McMinn, Council Member
Kerry Hart, Council Member
Bud Pate, Council Member
Danny Sparrow, Council Member

Jim Windham, Town Attorney
Heath Jenkins, Town Manager
Tug Deason, Recreation Director
Olivia Smith, Finance Director
Derek Summey, Police Chief
Craig Roseberry, Public Works Director

Call to Order:

Mayor Denton called the meeting to order at 6:00 p.m.

Invocation:

Council Member Bud Pate gave the invocation.

Pledge of Allegiance:

All citizens present recited the Pledge of Allegiance.

Approval of Agenda:

Mayor Denton asked if there was a motion to approve the agenda as presented.

Council Member Kerry Hart made a motion to accept the agenda and Mayor Pro-Tem Cathy Kirland seconded the motion. A vote was held and the motion passed unanimously.

Approval of Minutes:

Mayor Denton asked for a motion to accept the January 7, 2019 Regular Meeting Minutes.

Mayor Pro-Tem Cathy Kirkland made a motion to approve the minutes as presented. Council Member Bud Pate seconded the motion. A vote was held and the motion passed unanimously.

Special Presentation:

- A. Audit Presentation:** Daniel from Cherry Bekaert addressed the Council regarding the audit for the previous fiscal year. Daniel stated that the audit was not completely finished but the numbers should not be changing much from this point forward. He reviewed the role of the external auditor. Daniel stated that Cherry Bekaert would be giving the Town anticipated unmodified opinions, the highest possible marks, on all three categories: financial statements, yellow book and federal single audit. Daniel stated that the value increased from \$269,900,879 to \$275,249,144. The Town also exceeded budget expectations by \$117,584. The general fund decreased from \$1,725,477 to \$1,323,761 due to purchase of the new Town Hall facility. The Town's long-term obligations are largely due to Phase I & II of the Sewer Interconnect Project and are repayment at low or no interest. All other debt is down from normal payments. Daniel stated that there were no significant deficiencies or material weaknesses. Cherry Bekaert would provide clean opinions and stated that the Town has good internal controls.

Councilman Sparrow asked what the timeframe should be between the end of the fiscal year and the audit report. Daniel stated that the goal is October 31st and they have reduced the time by one month from the prior year with a goal of having it completed by October 31st this year.

Councilman McMinn asked what amount went back into the fund balance. Daniel stated roughly \$70,000 went back into the fund balance.

New Business:

A. Amendment to Sanitary Sewer Service Utility Agreement

Manager Jenkins explained the necessary amendments to the agreement with Two Rivers Utilities.

Mayor Denton asked for a motion to the amendment to the agreement. Mayor Pro-Tem Cathy Kirkland made a motion. Council Member Kerry Hart seconded the motion. A vote was held and the motion passed unanimously.

B. Resolution Authorizing the Filing of an Application for Approval of Financing Agreement Authorized by NCGS 160A-20

Manager Jenkins presented to the Council a proposal to purchase radio-read meters for all residences in the Town. He explained the benefits of purchasing these meters: data retention, alarm notice of leaks, reverse flows and other problems, remote reading, eliminated wear and tear, reduced staff time, increased accuracy.

Councilman McMinn asked for confirmation that this was for just an application and not approving acceptance of funding as he would like to wait until budget time to confirm we can afford to fund these capital projects.

Manager Jenkins explained that the resolution is only in support of the application and he would come back before the Council with a request to accept funding before anything additional took place. The resolution requests funding for the Town Hall expansion, meters and downtown improvements. Manager Jenkins explained that while he has budgeted for repairs to the community center, he is looking to apply for Community Development Block Grant options for funding the community center upgrades.

Mayor Denton asked for a motion to approve the resolution. Mayor Pro-Tem Cathy Kirkland made the motion. Council Member Kerry Hart seconded the motion. A vote was held and the motion passed unanimously.

C. Amendments to the Code of Ordinances related to Sewer and Penalties

Public Works Director Craig Roseberry explained to the Council that there are clarifications needed in the existing ordinance. The Council was presented with the proposed changes. There were no questions.

Mayor Denton asked for a motion to call for a public hearing at the March 4, 2019 regular meeting. Council Member Kerry Hart made the motion. Council Member Rob McMinn seconded the motion. A vote was held and the motion passed unanimously.

Citizens Comments:

Mayor Denton asked if there were any citizen comments. There were none.

Department Reports:

Finance Department: Financial reports were provided.

Public Works: Mr. Roseberry had no further report.

Recreation: Mr. Deason had no further report.

Fire: Fire reports were provided. Interim Chief Hullett was at work in Charlotte and could not be present. Council Member McMinn asked about the Fire Department budget and questioned why they have used 89% of their budget to date. Manager Jenkins explained that this was likely due to grant funds that do not show as having come back in as a credit.

Police: Chief Summey had no report.

Council Comments: Council Member Danny Sparrow asked for an update regarding the damaged fire hydrant outside of Walking Horse Run. Public Works Director Craig Roseberry explained that he investigated this and found that NCDOT hit the hydrant while mowing the right-of-way. He has a contractor scheduled to do the repairs and will reach out to NCDOT for reimbursement.

Mayor Denton stated that he scheduled Bill Ward to take professional headshots for all of the Council members, the Town Manager and the Town Clerk so there are professional photos on the Town website.

Mayor Denton asked for a motion to go into closed session to discuss contract and legal matters. Council Member Danny Sparrow made the motion. Council Member Kerry Hart seconded the motion. A vote was held and the motion passed unanimously.

Return to open session.

Mayor Denton read the following resolution:

RESOLUTION TO AUTHORIZE TOWN MANAGER TO PROCEED WITH NECESSARY STEPS TO ADOPT RECOMMENDATIONS OF GAVEL AND DORN ENGINEERING AND MOVE FORWARD WITH NEW PARTNERSHIPS TO PROVIDE A CLEAN, AFFORDABLE WATER SOURCE FOR ITS CITIZENS AND CUSTOMERS

Whereas; the Town of Stanley's drinking water is supplied by the City of Mount Holly at a rate of \$3.35 per 1,000 gallons and due to the rate charged by Mount Holly the Town of Stanley has the highest water rates in the region; and

Whereas; the Town of Stanley has attempted to negotiate a new rate with the City of Mount Holly as recently as 2018, with the last discussions being initiated by the City of Mount Holly when they requested the Town provide a proposal to them, but when the proposal was provided, Mount Holly declined to enter into negotiations; and

Whereas; the Town of Stanley applied for and received a \$50,000 grant from the State of North Carolina Department of Environmental Quality, Division of Water Infrastructure, to perform a merger/regionalization feasibility study; and

Whereas; the Town of Stanley entered into an agreement with Gavel and Dorn Engineering to perform the study and report the results to the Town of Stanley, and;

Whereas; the study was completed and Gavel and Dorn Engineering recommended proceeding with the option of entering into an agreement with other municipalities to provide water services for the Town of Stanley, and that such options would be financially beneficial and would provide the Town with better available options for its future and the future of its citizens; and

NOW THEREFORE, BE IT RESOLVED; that the Mayor and Town Council authorize the Town Manager to proceed with the necessary steps to work with Gavel and Dorn Engineering and other municipal governments to carry out the recommendations provided for in the study with the ultimate goal of partnering with others to provide a clean, affordable, long term water source for its citizens and customers.

Adopted this 4th Day of February 2019 at a regular session of the Town Council.

Mayor Denton asked for a motion to approve the resolution. Council Member Kerry Hart made the motion. Council Member Danny Sparrow seconded the motion. A vote was held and the motion passed unanimously.

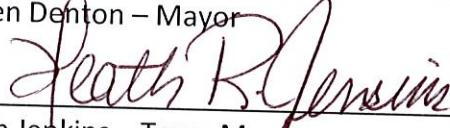
Mayor Denton asked for a motion to approve Manager Jenkins' proposed Employment Agreement for a term of five years, as presented. Mayor Pro-Tem Cathy Kirkland made the motion. Council Member Kerry Hart seconded the motion. A vote was held and the motion passed unanimously.

Adjournment: Mayor Denton asked for a motion to adjourn. Council Member Rob McMinn made a motion to adjourn the regular session of the Council meeting. Council Member Kerry Hart seconded the motion. A vote was held and the motion passed unanimously.

Respectfully Submitted:



Steven Denton – Mayor



Heath Jenkins – Town Manager



Catherine Greder - Town Clerk

