

MINUTES

The Town of Manteo Board of Commissioners held their November 4th Recessed Session November 18, 2009 at 4:00 pm at the Manteo Town Hall meeting room.

The following members were present:

- Mayor Jamie Daniels
- Commissioner H.A. Creef, Jr. (4:15pm)
- Commissioner Darrell Collins
- Commissioner Christine Walker
- Commissioner David Farrow (4:22pm)
- Commissioner Richie Burke
- Commissioner Hannon Fry

The following member(s) were absent:

Also present at the meeting were: Town Manager Kermit Skinner, Finance Officer Shannon Twiddy; Town Clerk-Becky Breiholz; Department Heads Steve Jozik, Erin Trebisacci, Chief Haskett, Nathan Pharr, Carl Jordan Building Inspector Ralph Allen;

Mayor Daniels called the recessed meeting to order at 4:10 pm

Department Head Reports- were given to the Board at their regular meeting for review and will be on file for one year. Steve Jozik went over his report and commented that we should be receiving a few more computers for the school children, we have received new copiers; the lease on the old copiers had expired and we piggybacked with the County as we have done in the past. He is also working on the keeping the web site updated. James McCleave went over his report and is preparing for Christmas. Erin Trebisacci went over her report and is working on the 2010 census, working on a transportation improvement plan to get the bike path repaired. The Arts Council intends to move to the old courthouse and Dare County will be doing the inspections. Ralph Allen is working with Doug Remaley who is the county Fire Inspector on fire inspections. There is also a change of use request at the old Kellogg's building for a day care center. Chief Haskett went over his report and commented that there were no calls on Halloween. Nathan Pharr went over his report and were NOV free for October but with the recent rain storms the plant went over its capacity, our water quality did not suffer and there will be no financial fine; they are working on hand held radio reads. Mr. Pharr commented that with the SCADA system it allowed staff to monitor the storm and give attention to those stations that needed it. Carl Jordan went over his report and the marina is about full.

SUBJECT: Audit Presentation-Teresa Osborne with Dowdy and Osborne and she conducted the audit she gave an overview of the audit. In the general fund expenses and transfers exceeded revenue by \$247,000 primarily due to a transfer to the water fund of \$400,000. Unrestricted General Revenue fund revenues decreased by \$143,000 primarily due to reduction in shared revenue. She commented that as of June 30, 2009 the general fund was in good financial shape; total undesignated fund balance in the general fund is \$2,865,000 compared to \$2,995,000 the prior year, about \$130,000 less than the prior year. She commented that if all revenue stopped

coming in the Town has enough revenue to get them through about a year. The Town has separate funds for the dock and cemetery; the dock fund ended the year with \$322,000 and cemetery fund ended the year with \$333,000. She also commented that this is the 4th year where she has come to the Board after doing the audit where your expenses have exceeded revenues in the water and sewer department causing the Town to use non recurring revenues. In this year the water and sewer revenue funds have increased about \$160,000 but it is not enough to offset the operating expenses that included a number of significant repairs to the waste water plant. The financial trend is a concern to her. There is a report at the end of the audit on internal audit controls over financial reporting which will be made a part of these minutes with some recommendations. She reviewed the second page of the letter that was given to the Board with the audit (and will be made a part of these minutes) regarding the status of the water and sewer department. One concern is we billing for all the water we are buying from the County. The Board should look at ways to cut costs at the water and sewer department; they are 4 months into the year and have used 60% of budgeted amount. She understands that the Town is working with the Rural Water for repair of leaks and then they will help the Town with a rate study. She suggests that the Board ask staff for a report in January after the quarterly billing and have staff look at the expenses. Mayor Daniels commented that three things the Board needs to look at 1) control costs and see what can be cut; 2) billing errors; 3) are we selling all the water we are buying. Mayor Daniels would like to appoint a committee of himself, Richie Burke and Hannon Fry to address some of the problems at the water and sewer department.

SUBJECT: Affordable Housing-Erin Trebisacci commented that she is working on an ordinance with the CDC and she will have something for them at the December workshop.

Commissioner Comments

Commissioner Farrow has asked if all the new meters have been installed and was told no; he wanted to know why not. Mr. Skinner commented that the water department is doing that as time allows. Finance Officer Shannon Twiddy commented they cost about \$150.00 each and explained how the radio read meters work and that all new meters since 2007 should be radio reads and then they are replacing the old meters with radio reads as time allows. Mrs. Twiddy also commented that she does not think that the radio reads have been activated and that they are still reading meters manually. Mrs. Twiddy is working on establishing an implementation plan, time frame, suggestions, recommendations which will involve Mr. Pharr and the new committee. The sinkholes on Sir Walter Raleigh were discussed and the water department is trying to find out what is causing that sinkhole. Commissioner Fry commented that there is also one on US 64 where Vista used to be.

Mayor Daniels asked staff if we had heard from the tenant at Magnolia Market that is in arrears on rent and Mrs. Twiddy commented that she has not. A certified letter was sent (the Board was given a copy). She asked if the Board wanted her to forward this to the attorney and Mayor Daniels commented he would go by and see them.

Commissioner Walker-commented about the OBX marathon clean up and did not realize that it was the town staff responsibility she thought it was the responsibility of the marathon committee. Mr. Skinner commented there is a meeting coming up with the marathon committee to discuss

what went right and what went wrong after the marathon and he can bring up the fact that the Board wishes more of the cleanup be done by the marathon committee. Mrs. Twiddy commented it cost the Town approximately \$1500 for overtime and in the past it has been left up to the Town to clean up and to decorate.

Commissioner Collins asked about Old Tom Lawsuit and Mr. Skinner commented that our attorney has asked for a summary judgment but have not heard anything.

Commissioner Creef commented about some laws that are coming into effect about recycling and it seems it can be a pretty messy and expensive thing for a small town to do; having to buy all the equipment and thinks we need to keep it simple.

MOTION: Commissioner Creef seconded by Commissioner Fry to adjourn at 5:30 pm was approved by the following vote: Ayes: Commissioners Collins, Fry, Farrow, Burke, Walker, and Creef Noes: none Absent:

This the 18th day of November 2009

ATTEST:

Mayor Jamie Daniels

Town Clerk Becky Breiholz