

**Town of Eastover - Town Council Meeting  
Tuesday, January 5, 2010, 7:00 p.m.  
Eastover Community Center**

**Mayor Charles G. McLaurin, Presiding Council Members: Lawrence Buffaloe, Willie Geddie, Cheryl Hudson, Donald Hudson, Benny Pearce, and Sara Piland**

**MINUTES OF MEETING – January 5, 2010**

Mayor Charles G. McLaurin, Council Members Lawrence Buffaloe, Donald Hudson, Sara Piland, Willie Geddie, Cheryl Hudson, and Benny Pearce were in attendance at the January 5, 2010 Eastover Town Council Meeting. A quorum was present at the Town Council Meeting. Also in attendance was Mr. Matt Rooney from the Cumberland County Joint Planning & Inspections Department, Mr. John Jackson, Town Attorney, Mr. Kim Nazarchyk, Town Manager, and Ms. Jane Faircloth, Town Clerk.

**I. Call to Order:**

Mayor Charles McLaurin called the January 5, 2010 meeting of the Eastover Town Council to order at 7:00 p.m. and welcomed all in attendance.

**II. Invocation / Pledge of Allegiance:**

Council Member Benny Pearce gave the invocation and led the attendees in The Pledge of Allegiance.

**III. Approval of Agenda:**

Council Member Sara Piland made a motion that the Agenda be approved as stated. The motion was 2<sup>nd</sup> by Council Member Cheryl Hudson. The motion was carried unanimously.

**IV. Public Comments:**

There was no public announcement.

**V. Consent Agenda:**

1. Consider approval of the December 1, 2009 Town Council Minutes.
2. Consider approval of the November 30, 2009 Financial Report.

Council Member Benny Pearce made a motion to approve the Consent Agenda as stated. The motion was 2<sup>nd</sup> by Council Member Donald Hudson. The motion was carried unanimously.

## **VI. Discussion Agenda:**

### **Agenda Item #1:**

#### **Briefing by Mr. Morgan Johnson, Chairman Eastover Sanitary District.**

Mr. Morgan Johnson gave the Town Council an update on the Eastover Sanitary District projects. He stated that the ESD bid opening will be held this Thursday, January 7, 2010 for the water projects. Mr. Johnson stated that this will take approximately 1 to 3 months and should be awarded by March-April timeframe. He said the bid opening is at 2:00 p.m. in Southern Pines, NC, and is open to the public.

### **Agenda Item #2:**

#### **Briefing by Mr. David Maxwell from McFadyen & Sumner, CPAs PA concerning Eastover's Audit Report for Fiscal Year 2008-2009.**

Mr. David Maxwell, CPA from the McFadyen & Sumner, CPAs Firm briefed the Town Council on the Town's Audit for Fiscal Year 2008-2009. He stated that this was a very clean audit and financial statements were in accordance with Governmental Accounting Practices. Mr. Maxwell stated that the Town's cash and cash equivalents increased to \$473,941 from last year's audit of \$133,000.

Mr. Maxwell stated in our opinion, the financial statements referred to in the Independent Auditor's Report present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Eastover, NC, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Maxwell stated that the staff sends letters to units if the amount of fund balance available for appropriation as a percentage of prior year expenditures in the General Fund falls below 8%. He stated that the staff also compares the percentage of fund balance available for appropriation to the prior year percentage for similar units. Mr. Maxwell stated that if that percentage is materially below the average of similar units, the staff will send a letter to alert the unit of this fact. He said Units will be encouraged to evaluate the amounts in reserves and determine if the level is adequate. He stated that we are a new Town and have not had time to build up the General Fund.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$381,693, or 44.90% of total General Fund expenditures for the fiscal year. Mr. Maxwell stated that the Town would most likely get a letter from the Local Government Commission (LGC) because our General Fund is below the 66% level required by the State. Mr. Maxwell stated that the LGC must approve all bonds, loans with USDA.

Mr. Maxwell briefed the Town Council on the "Power Bill Participation Requirements". He stated that the General Statutes were amended in 1963 to provide different and somewhat higher eligibility requirements for municipalities incorporated since January 1, 1945. He stated at that time, it was believed that some newly incorporated municipalities were possibly not functioning as bona fide towns. The requirements for municipalities incorporated since January

1, 1945 is as follows:

1. Have conducted the most recent election required by its charter or general law for the purpose of electing municipal officials.
2. Levied an ad valorem tax from the current fiscal year of at least five cents (\$.05) on a \$100 valuation upon all taxable property within its corporate limits.
3. At the time of its application for its second and succeeding allocations, it shall have collected at least 50 percent (50%) of the total ad valorem tax levied for the preceding fiscal year.
4. Have adopted a budget ordinance showing revenue received from all sources and showing that funds have been appropriated for at least two of the following services: Water distribution; sewage collection or disposal; garbage and refuse collection or disposal; fire protection; police protection; street maintenance, construction, or right-of-way acquisition; or street lighting, or at least four of the following municipal services if the municipality incorporated with an effective date of on or after January 1, 2000; police protection; fire protection; solid waste collection or disposal; water distribution; street maintenance; street construction or right-of-way acquisition, street lighting; and zoning.

Mr. Maxwell stated that this would be worth pursuing. He stated that the packet for the Power Bill funds must be submitted to the Department of Transportation (DOT) by July 1, 2010. He also stated that we could build up to 10 years reserve. He stated that the Town must provide four of several services to the residents to be eligible for this money. He stated that these funds must be used for specific purposes.

Mr. Maxwell thanked Council Member Cheryl Hudson and Ms. Jane Faircloth, Town Clerk for their assistance in this audit.

Mayor McLaurin thanked Mr. Maxwell for such a thorough and informative audit report.

### **Agenda Item #3:**

#### **Presentation by Mr. Matt Rooney and Mr. Kim Nazarchyk concerning the development plan for commercial district.**

Mr. Matt Rooney from the Cumberland County Planning & Inspections Department gave a presentation concerning the proposed development plan for a commercial district. He stated that there are approximately 50 to 75 property owners involved in the proposed downtown district along Hwy 301. Mr. Rooney stated that some of the property is zoned nonresidential and there are multiple property owners.

Mr. Rooney and Attorney Jackson both stated that the "Land Use Plan" and the "2030 Land Use Plan" is guidance only, and is not binding. Mr. Rooney stated that he is trying to get how each property involved in the proposed downtown district is currently zoned. Mr. Rooney stated that the Town should hold a public hearing to get the Town's involvement in the proposed downtown district.

Mr. Nazarchyk stated that he recommended that the property owners be informed of the zoning that is coming in the future. Mayor McLaurin stated that many of the properties in the proposed downtown district are in transition, and he felt it would help the property owners to know ahead of time what is coming. Mr. Rooney stated that trying to reach some specifics at this point is getting a little ahead of ourselves. He stated that he is not suggesting the public hearing. Attorney Jackson stated that there is not a statutory requirement to have a public

hearing in the Land Use Plan phase. He stated that when it becomes Legislative a public hearing is required. Attorney Jackson stated that he would advise the Council to have public input.

**Agenda Item #4:**

**Consider approval of Architect contract for the new Town Hall Building.**

Council Member Sara Piland stated based on what the Auditor's Reported to us tonight she felt the Council should meet with the Local Government Commission (LGC) and let them go through the formulas and determine if we can afford and qualify for the debt to build a new building. Attorney Jackson stated that Phase I is the initial step and in the contract shows a cost of \$5,000. He stated that he is concerned that Article 1.5.3 states for a change in service of the Architect's consultants, compensation shall be computed as a multiple of (1.2) times the amounts billed to the Architect for such services.

Attorney Jackson stated that based on what Mr. Maxwell reported in the audit it will be next fiscal year or the end of the year before the Town could go forward. Attorney Jackson stated that if we like the Architect we could state that we want to go forward with Phase I however; we do not want to trigger a termination clause by not completing it within the 6 months, so as to elevate the cost based on the current Auditor Report. Council Member Piland stated that she felt we would be at the 65% by June 2010. Attorney Jackson stated that may be true, but we must maintain that percentage and we would not meet the debt figure service in that time frame. He stated he felt it would be longer than that to maintain the 60% and the debt service. He stated he did not think the \$5,000 (Phase I) was inappropriate to get this in the talking stages at this time.

Council Member Benny Pearce and Council Member expressed their concerns about the USDA Grant funds and a low interest loan. Attorney Jackson stated the Town must first get out debt service in order, as the Local Government Commission (LGC) must approve all loans. He stated we needed to get our revenue projections and get ourselves in the position to borrow the money first. The USDA may give the Town a loan, but if the LGC does not approve you cannot proceed. He stated he thinks all of this is a bit premature at this point based on your debt service. Attorney Jackson stated that Phase I is a scope of work, and we need to find out exactly what we would be getting for the \$5,000. Council Member Donald Hudson stated he felt we should go forward with Phase I, if the Architect agrees to this portion only for now.

Mayor McLaurin made a motion to table this action until further information is obtained from the Architect by the Town Manager. The motion was 2<sup>nd</sup> by Council Member Donald Hudson. The vote was unanimous.

**Agenda Item #5:**

**Consider approval of NC Department of Transportation contract concerning speed limits.**

Council Member Sara Piland stated that she felt we should talk with a representative from the Department of Transportation (DOT) before we approve the contract for speed limits. Council Member Piland recommended the Town council meet on January 21, 2010 at the Eastover Community Center at 6:00 p.m., if a representative from DOT could come and discuss the speed limits with the Council. Mayor McLaurin stated that he would call Mr.

Jernigan from DOT and arrange for him to be at the meeting on January 21, 2010.

Council Member Piland made a motion to table the contract concerning speed limits until they meet on January 21, 2010 with Mr. Jernigan from DOT. The motion was 2<sup>nd</sup> by Council Member Lawrence Buffaloe. The vote was unanimous.

**Agenda Item #6:**

**Consider a donation to the Eastover Community Watch for signs and posts.**

Mayor McLaurin stated he would like for the Town to donate \$300 to the Eastover Community Watch for signs and posts.

Attorney Jackson stated we should “grant” conditional funds as funds must be used for public expenditures, and should be for a specific purpose only. Attorney Jackson sated we should have a Letter of Agreement between the Town of Eastover and the Eastover Community Watch prepared to donate these funds with the stipulation that the signs and posts will be for use to inform the general public of the date and time of the monthly meeting. Attorney Jackson further stated the Town of Eastover require that records would be provided to the town, as proof that all funds were expended for “public purpose” and all of the public/citizens of the Town of Eastover have/will be benefited.

Mayor McLaurin made a motion to grant \$300 to the Eastover Community Watch for signs and posts. The motion was 2<sup>nd</sup> by Council Member Donald Hudson. The vote was unanimous.

**Agenda Item #7:**

**Consider approval of Budget Amendment #01-2010 for FY 2009-2010.**

Mr. Kim Nazarchyk briefed the Town Council on Budget Ordinance Amendment No. 02-2010. He stated that the amendment is to amend the General Fund within the departments as follows:

<u>Department</u>	<u>Increase</u>	<u>Decrease</u>
Administration		11,000.00
Street Department		9,000.00
Recreation	20,000.00	
Total	0.00	0.00

He stated that this will result in a net increase of \$0.00 in the expenditures of the General Fund.

Council Member Sara Piland made a motion to approve Budget Amendment No. 01-2010. The motion was 2<sup>nd</sup> by Council Member Lawrence. The vote was unanimous.

**VII. Receive Mayors Update:**

Mayor McLaurin recognized and welcomed two new members to the “Citizens Advisory Committee”. They are Mr. Mark Fisher and Mr. Chris Hudson. Mr. Fisher and Mr. Hudson each gave a brief summary of themselves to the Town Council.

Mayor McLaurin asked that the Fayetteville Observer be notified about the Eastover Representatives attending the “Essentials of Municipal Government” Course to be held in Wilmington, NC on January 13-14, 2010.

**VIII. Receive Council Members Updates:**

There were no updates by the Council Members.

**IX. Receive Town Managers Update:**

Mr. Kim Nazarchyk informed the Town Council that he is getting bids on upgrading the Eastover Community Building to meet the Fire Marshall’s Fire Codes. He stated that new doors that swing out, and lighted exit signs must be installed. He stated that this is a cost of approximately \$6,175.00.

Mr. Nazarchyk stated that he had spoken with Mr. David Vencill from Progress Energy and he stated that the log jam concerning the street lighting had been removed.

Mr. Nazarchyk stated that the floors at the Eastover Community Center are due for stripping and waxing, at a cost of \$700 to \$900. He stated that this is done on an annual basis.

**X. Consider a motion to adjourn.**

Council Member Benny Pearce made a motion to adjourn the meeting at 8:25 p.m. The motion was 2<sup>nd</sup> by Council Member Sara Piland. The vote was unanimous.

**Town of Eastover**

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**Charles G. McLaurin, Mayor**

**Attest:** \_\_\_\_\_, **Town Clerk**  
**Jane F. Faircloth**