

DECEMBER 3, 2002
MINUTES OF MEETING

COUNCIL PRESENT

David Stamey
Joe Norman
Gerelene Blevins
Pat Harrison
Joe Helton
Bill Ramsey

STAFF PRESENT

Terry Taylor
Robert Frye
Wanda Reid

CALL TO ORDER: Mayor David Stamey called the meeting to order and welcomed all guests.

INVOCATION: Pastor Wayne Kennedy gave the invocation.

PLEDGE OF ALLEGIANCE: Mayor David Stamey led the audience in saying the Pledge of Allegiance.

ADOPT AGENDA: Bill Ramsey made the motion to adopt the agenda, with Joe Norman seconding. All were in favor.

APPROVAL OF NOVEMBER 19, 2002 REGULAR MEETING MINUTES: On a motion made by Joe Norman, seconded by Pat Harrison, Council voted to approve the minutes of the previous meeting.

ORDINANCE AMENDMENT: *Second Reading Council Standards of Conduct and Conflict of Interest:* Council held the first reading on this matter during the November 19 meeting. In order to adopt the policy, it needs to be voted on one final time. Joe Norman made the motion to adopt the ordinance amendment. Pat Harrison seconded. All were in favor. (See attached).

FINANCIAL MATTERS:

A. Budget Amendments

1. **Unemployment Claim:** Because Sawmills is a municipality, it does not pay unemployment compensation to the Employment Security Commission. Mark Bloomer, a former employee filed a claim from 12/03/00-5/12/01. Since this expense was not recognized in that budget year the total amount of \$5,250 will be recorded as a prior year's expense in this year's budget. Pat Harrison made the motion to approve this amendment with Joe Norman seconding. All were in favor.
2. **Recognition of Unanticipated Revenue:** The North Carolina Department of Revenue made an unexpected distribution of the Franchise Tax that consisted of a total of \$21,142.31. Since staff was uncertain if the State

would release any of these funds, it was not included in this year's budget. As such, Council must recognize this revenue before it can be added to this year's budget. Gerelene Blevins made the motion to accept these funds. Joe Helton seconded. All were in favor.

3. ***CDBG Line Item adjustment:*** In an effort to accurately record the ongoing CDBG project funds, it was suggested by our auditors to remove the operating transfer made in this year's budget to a Contingency Expense. As amounts are needed to pay bills out of the CDBG Fund, the accounting system will only reflect a reduction in the inter-fund receivables and payables for the transfer of the cash. Gerelene Blevins made the motion to approve the adjustment with Bill Ramsey seconding. Vote unanimous.

- B. ***Sales Tax Refund Agreement:*** Town Administrator Robert Frye recommended that the Town enter into an agreement with the Robert S. Segal CPA firm. Mr. Segal's firm specializes in reviewing sales tax reimbursement documents and tracking down sales tax monies that should have been paid to the Town but were coded incorrectly and not sent to the Town as a reimbursement. Mr. Frye stated that in his opinion, retaining Mr. Segal's firm was a win-win situation for the Town because the Town stood a good chance of receiving additional sales tax reimbursement moneys; monies that the Town would have never seen without the assistance of Mr. Segal's firm. Mr. Frye then stated that the Town would only pay Mr. Segal the percentage listed in the agreement and that that amount comes out of the additional funds discovered. Joe Norman made the motion to approve the agreement between the Town and Mr. Segal's firm. Gerelene Blevins seconded. All were in favor.

- C. ***Bid award for Paving of Water Works Drive and Terrace Drive:*** The Town recently received bids for the paving of Water Works Road and for a small portion of Terrace Drive. The bids are as follows:

APAC Carolina Inc.	\$40,474.00
Burke Grading and Paving	\$42,250.00
Midstate Contractors Inc.	\$39,595.00

Bill Ramsey made the motion to award Midstate Contractors, Inc. the paving bid in the amount of \$39,595.00. Gerelene Blevins seconded with all in favor.

- D. ***Waterline relocation Edgewood Drive:*** Due to the recent construction of a new home on Stamey Road by Mr. Roger McGee, the Town has had to relocate a waterline that serves Edgewood Drive. The line in question has been in place for 35 years, but unfortunately, it crossed the area where Mr. McGee wished to

construct his new home. As the Town has no right of way agreement with Mr. McGee concerning this line, though it is understood that the old Sanitary District was granted verbal permission by Mr. McGee's father to run the line across the property, the Town had no choice but to take the line in question out of service. While this has not posed an immediate problem to the residents of Edgewood Drive, the Town did have to take the existing fire hydrant on Edgewood Drive out of service. In order to get the fire hydrant back into service, the town will need to install a new 6-inch water line down Edgewood Drive. On a motion made by Gerelene Blevins seconded by Joe Norman, Council voted to get bids for this project.

E. Employee Longevity Pay: The Town of Sawmills has a longevity pay plan that is paid out during the first pay period in December. Joe Helton made the motion to honor the employee longevity pay plan with Pat Harrison seconding. All were in favor. (See attached)

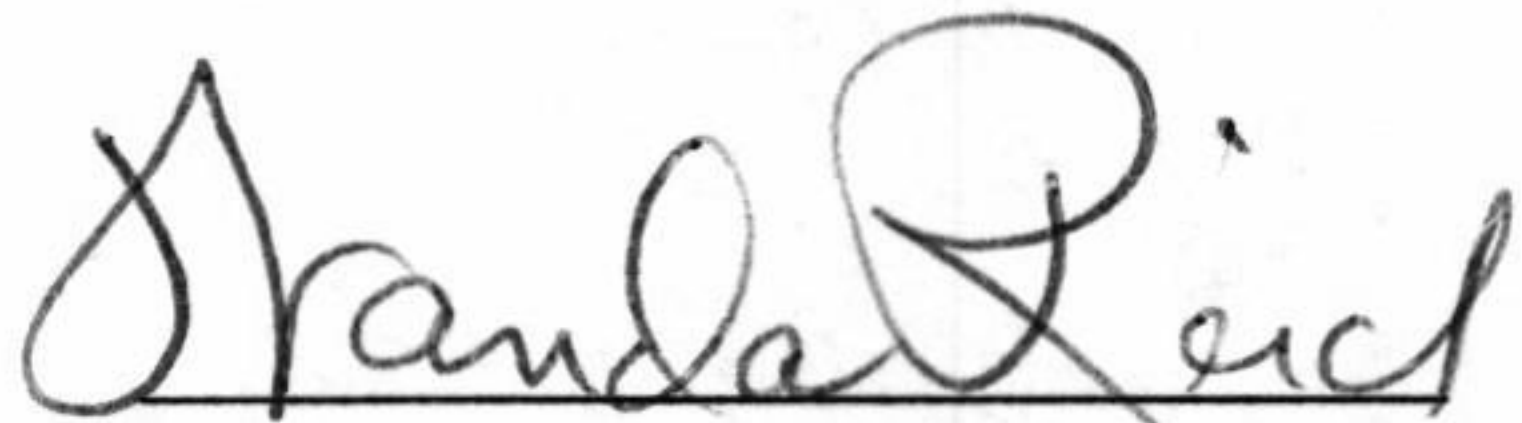
LOCAL GOVERNMENT PARTICIPATION CERTIFICATION CDBG County-wide Scattered Site Housing Rehabilitation Program: The North Carolina Division of Community Assistance has conditionally awarded Caldwell County \$400,000.00 in CDBG grant funds to be used by the County to address the most critical housing needs of very low-income families in the county. In order to be part of the program, Council needs to approve the Town's participation in the program. Joe Helton made the motion to approve the Local Government Participation Certification. Pat Harrison seconded. All were in favor.

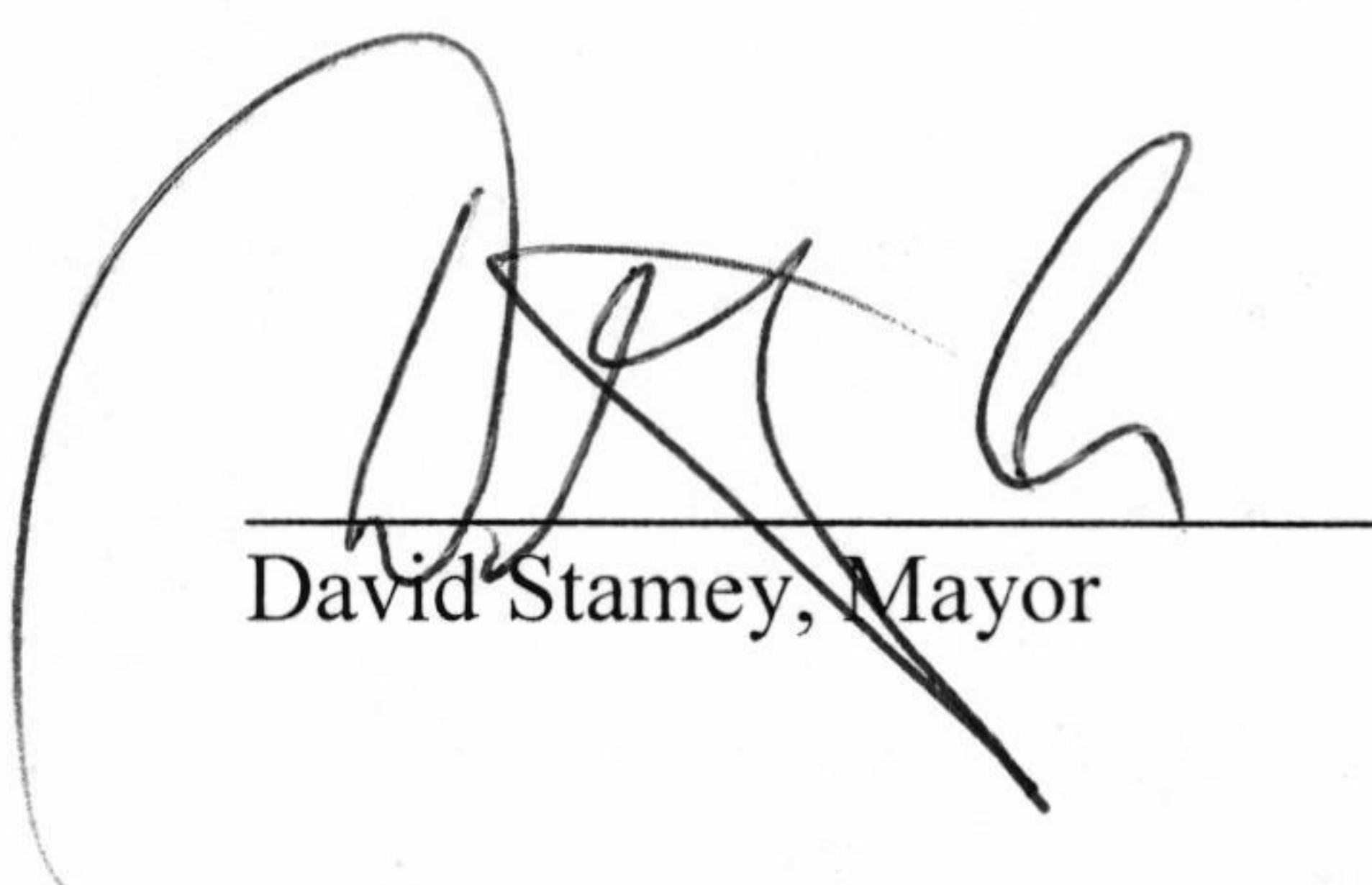
TOWN HALL MEETING: Two persons spoke at the Town Hall Meeting:

Michael Barber informed Council that his wife had come to pay their water bill at 9:05 on the cut-off day and that staff would not take her money because after 9:00 a.m. a reconnection fee would have to be paid. Mr. Frye informed Council that the policy Council had approved was that the first and second time a meter was cut-off for non-payment a reconnection fee of \$25.00 would be required before the meter could be turned back on. The third and fourth time would be \$50.00 and the fifth and sixth time a \$75.00 reconnection fee would be required before service could be continued and that payment for reconnect fee would begin at 9:00 a.m. on cut-off day regardless of whether the employees had cut the meter off. No council action was required.

Mr. J. C. Annas informed Council he had been sick and in the hospital and did not have the money or time to comply with the mobile home ordinances required by the Town. He was reminded that he had had over 18 months to comply. No council action was required.

ADJOURNMENT: On a motion made by Gerelene Blevins, seconded by Joe Helton, Council voted to adjourn at 6:30 pm.


Wanda Reid, Town Clerk


David Stamey, Mayor

Town of Sawmills, North Carolina

Standards of Conduct and Conflict of Interest

A. Definitions

For purposes of this section, the following definitions shall apply:

1. *Business Entity* means any business, proprietorship, firm, partnership, person in representative or fiduciary capacity, association, venture, trust or corporation which is organized for financial gain or for profit.
2. *Town Official* means the Mayor, members of the Town Council, Town Manager, Town Attorney and Department Heads.
3. *Immediate Household* means the Town Official, his/her spouse, and all dependent children of the Town Official.
4. *Interest* means direct or indirect pecuniary or material benefit accruing to a Town Official as a result of a contract or transaction which is or may be the subject of an official act or action by or with the Town. For purposes of this article, a Town Official shall be deemed to have an interest in the affairs of (1) any person in his immediate household as such term is defined in this section, (2) any business entity in which the Town Official is an officer or director, (3) any business entity in which an excess of five percent (5%) of the stock of or legal or beneficial ownership of is controlled or owned directly by or indirectly by the Town Official, (4) any non-profit organization on which the Mayor or any member of the Town Council currently serves an officer, director, or board member.
5. *Official act or action* means any legislative, administrative, appointive or discretionary act of any Town Official.

B. Standards of Conduct

1. *Scope.* All Town Officials as defined in this article shall be subject to and abide by the following standards of conduct.
2. *Interest in Contract or Agreement.* No Town Official herein defined shall have or thereafter acquire an interest in any contract or agreement with the Town, except as allowed by the North Carolina General Statutes. This section does not prevent employment contracts between the Town Official and the Town.
3. *Use of Official Position.* No Town Official shall use his or her official position or the

Town's facilities for his or her private gain. In addition, Town Officials shall not misuse their status in such a way as to require, expect, or accept favors from subordinate employees.

4. *Disclosure of Information.* No Town Official shall use or disclose confidential information gained in the course of or by reason of his official position for purposes of advancing (1) his or her financial or personal interest, (2) a business entity in which he or she is an owner in part or in whole, an officer or director, (3) the financial or personal interest of a member of his or her immediate household or that of any other person.

5. *Incompatible Service.* No Town Official shall engage in or accept private employment or render service to private or other public interests when such employment or service is incompatible with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties unless otherwise permitted by law and unless disclosure is made as provided in this article. Before accepting private employment, the Town Official should consider whether such employment would impact the Town negatively. A Town Official who accepts private employment should not represent himself or herself as an employee or agent of the Town of Sawmills.

6. *Gifts.* No Town Official shall directly or indirectly solicit any gift or accept or receive any gift having a value of Twenty-Five Dollars (\$25.00) or more whether in the form of money, services loaned, travel, entertainment, hospitality, thing or promise or any other form under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her or could reasonably be expected to influence him or her in the performance of official duties or is intended as a reward for any official action or his or her part. Legitimate political contributions shall not be considered as gifts under the provisions of this paragraph.

7. *Special Treatment.* No Town Official shall grant any special consideration, treatment, or advantage to any citizen or public or private entity beyond that which is available to every other citizen or entity.

8. *Standards of Conduct.*

These Standards of Conduct require that a Town Official:

- Behave honestly and with integrity in the course of conducting official business;
- Act with care and diligence in the course of official business.
- When acting in the course of official business, treat everyone with respect and

courtesy;

- Comply with any lawful and reasonable direction given by someone who has authority to give directions;
- Use Town resources in a proper manner; and
- At all times behave in a way that upholds the values and the integrity and good reputation of the Town.

C. Disclosure of Interest in Legislative Action

The Mayor or any member of the Town Council who has an interest in the official act or action before the Council shall publicly disclose on the record of the Council the nature and extent of such interest and shall withdraw from any consideration of the matter if excused by the Council.

D. Investigations Instigated by Town Council, Town Manager or Any Other Person

1. Town Council may direct the Town Attorney to investigate any apparent violation of this article as it applies to the Mayor, any member of the Town Council, or Town Manager, and to report the findings of the investigation to the Town Council.
2. The Town Council may direct the Town Manager to investigate any apparent violation of this article by the Town Attorney and to report the findings of the investigation to the Town Council.
3. Any person who believes that a violation of this article has occurred may file a complaint in writing with the Town Council when the Mayor and members of the Town Council, Town Manager or Town Attorney are the subjects of the complaint.
4. If the Town Council, after receipt of an investigation, has cause to believe a violation has occurred, the Town Council shall schedule a hearing on the matter, said hearing may be held as a Closed Session. The Town Official who is charged with the violation shall have the right to present evidence, cross-examine witnesses, including the complainant or complainants, and be represented by counsel at the hearing. If upon the conclusion of the hearing, the majority vote of the Council finds a violation has occurred, the Council may adopt a resolution of censure which shall be placed as a matter of record in the minutes of an official Council meeting.

E. Advisory Opinions.

When a Town Official has a doubt as to the applicability of any provision of this articles to a particular situation or to the definition of terms used in this article, he or she may apply to the

Town or Town Attorney for an advisory opinion, either of which shall issue an opinion in writing and file same with either the Town Council or Town Attorney. The Town Official shall have the opportunity to present his or her interpretation of the facts at issue and of the application of provisions of this article before such advisory opinion is made. In addition, the Town Official shall publicly disclose to the Town Council or Town Manager the facts of issue in a particular situation and shall rely upon any resolution adopted by the Town Council or Town Manager regarding that particular situation.

Adopted this the _____ day of _____, 20_____.

TOWN OF SAWMILLS

By: _____
Mayor

ATTEST:

Clerk

[Town Seal]

BUDGET AMENDMENT
TOWN OF SAWMILLS
General FUND

The Town Council of the Town of Sawmills at a meeting on the 3 day of December, 2002 passed the following resolution.

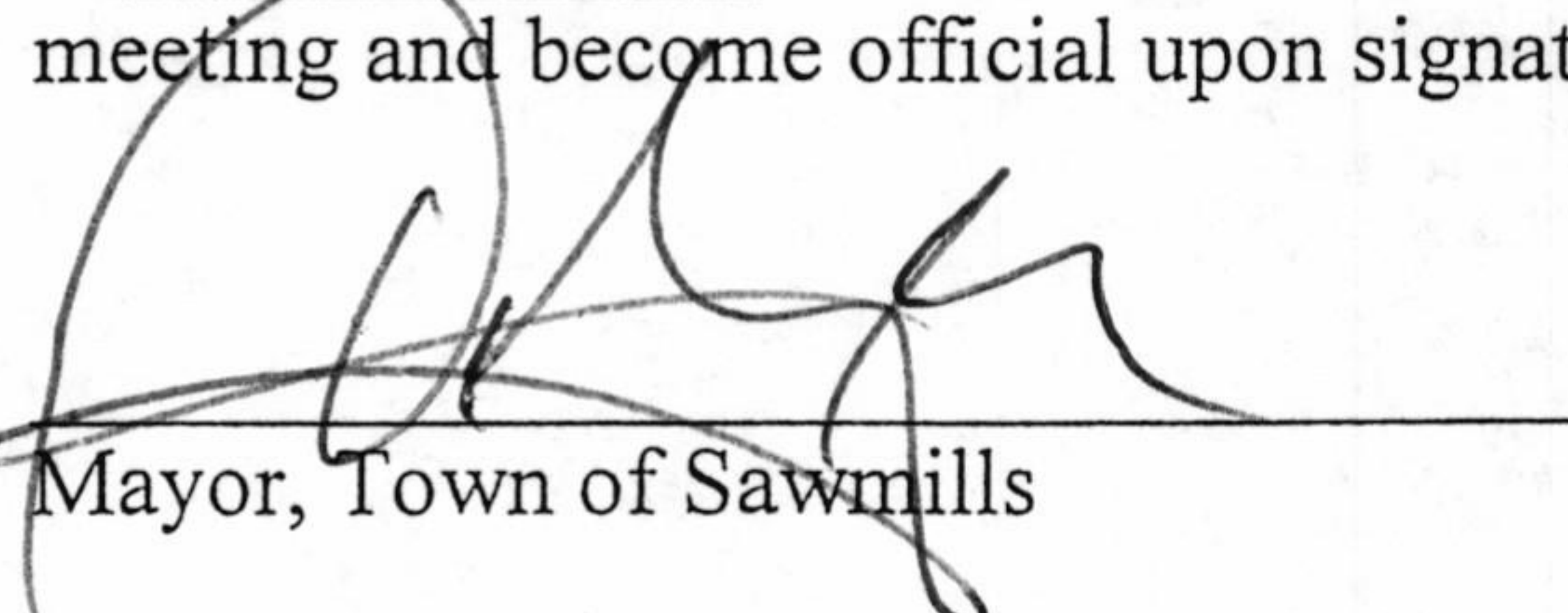
Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ended June 30, 2003.

Account Number	Description	Increase	Decrease
	Expenditures		
4120-99-1	Previous Year's Expenditure	\$5,250.00	
	Revenues		
3839-00-1	Miscellaneous Revenue	\$5,250.00	

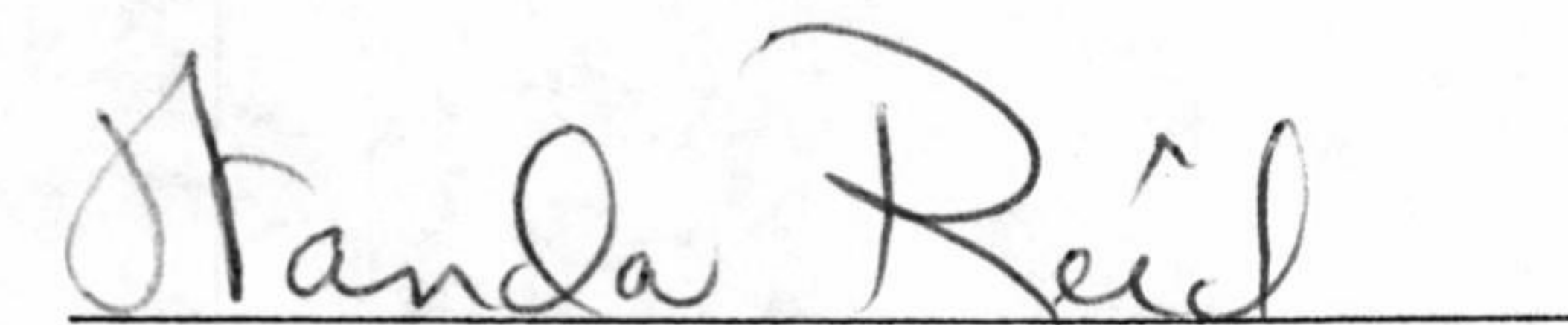
Explantion: Amendment to recognize prior year's expense of Unemployment Benefits paid to Mark Bloomer.

Total Appropriation in Current Budget	\$ 0
Amount of Increase(Decrease) of Above Amendment	\$5,250.00
Total Amount in Current Amended Budget	\$5,250.00

Passed by majority vote of the Town Council of the Town of Sawmills on the 3RD day of DECEMBER, 2002. This amendment shall be attached to the minutes of such meeting and become official upon signature of the Mayor and Town Clerk.



Mayor, Town of Sawmills



Town Clerk, Town of Sawmills

BUDGET AMENDMENT
TOWN OF SAWMILLS

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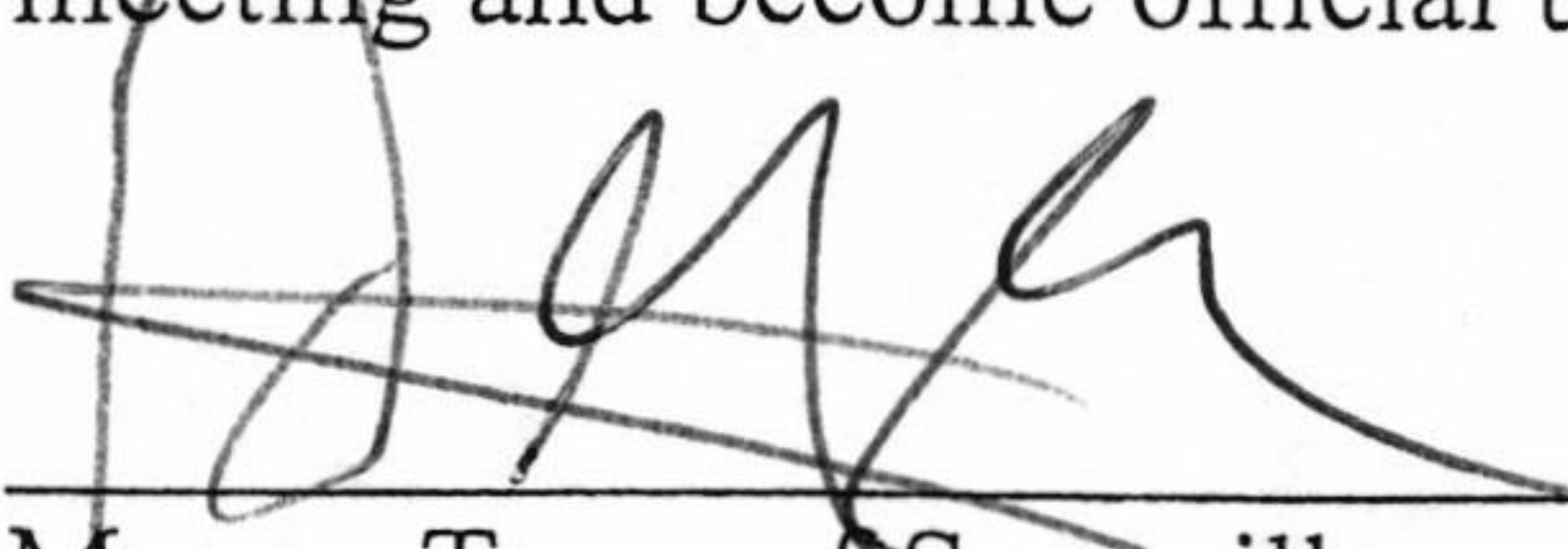
Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ended June 30, 2003.

Account Number	Description	Increase	Decrease
Expenditures			
4515-55-1	Capital Outlay	\$21,142.31	
Revenues			
3234-00-1	Sales Tax on Telecommunications	\$ 7,151.00	
3324-00-1	Franchise Tax on Electric Power	\$13,551.31	
3235-00-1	Excise Tax on Piped Natural Gas	\$ 440.00	

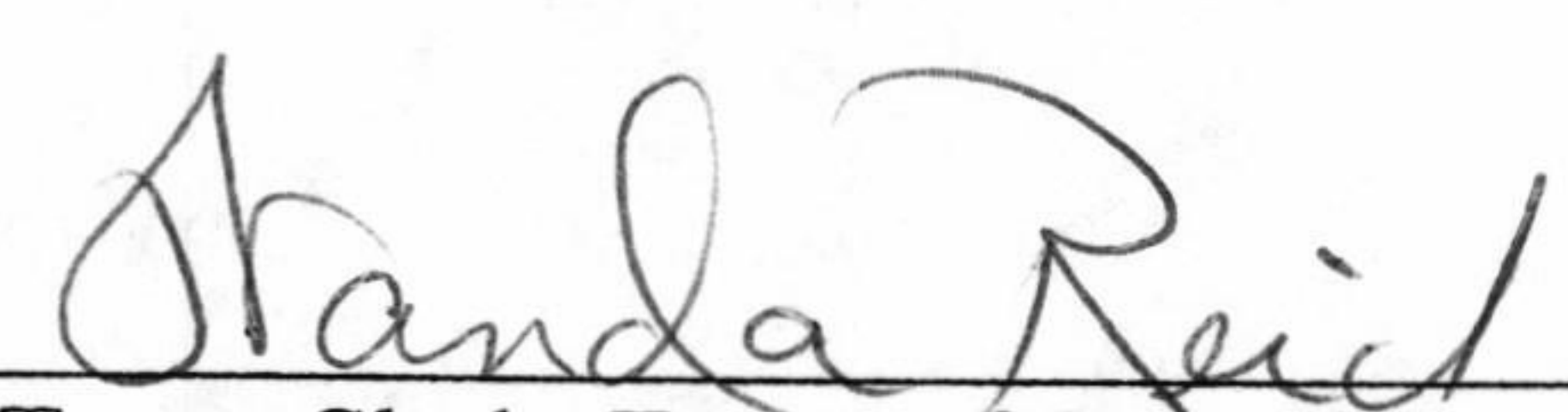
Explantion: Amendment to recognize unanticipated revenue from NC Department of Revenue.

Total Appropriation in Current Budget	\$ 0
Amount of Increase(Decrease) of Above Amendment	\$21,142.31
Total Amount in Current Amended Budget	\$21,142.31

Passed by majority vote of the Town Council of the Town of Sawmills on the 3RD day of DECEMBER, 2002. This amendment shall be attached to the minutes of such meeting and become official upon signature of the Mayor and Town Clerk.



Mayor, Town of Sawmills



Town Clerk, Town of Sawmills

BUDGET AMENDMENT
TOWN OF SAWMILLS
General FUND

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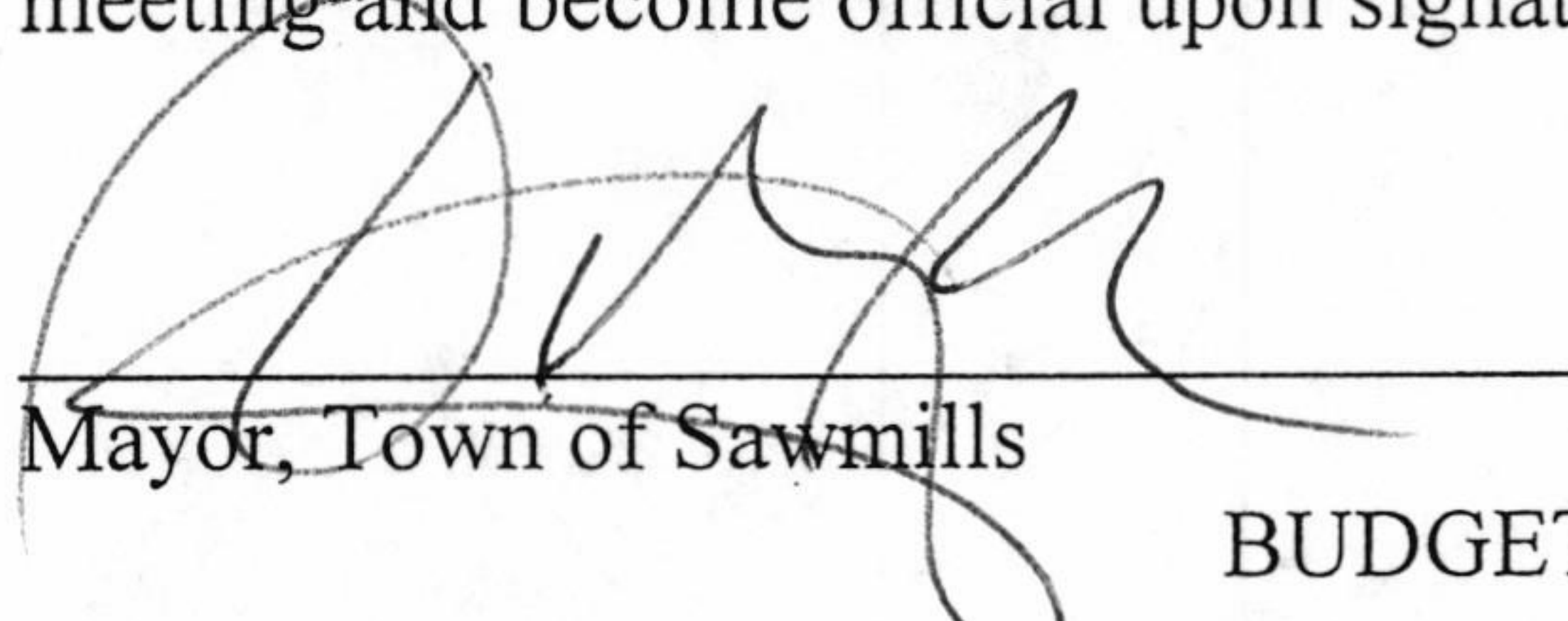
Be it resolved that the following amendments be made to the Budget Resolution for the fiscal year ended June 30, 2003.

Account Number	Description	Increase	Decrease
Expenditures			
4499-04-1	Operating Transfer to CDBG-2001		\$110,965
4180-00-1	Contingency Expense	\$45,000	
Revenues			
3990-00-1	Fund Balance Appropriated		\$61,750.00
3231-00-1	Article 39, 1% Sales Tax		\$ 2,000.00
3232-00-1	Article 40, ½% Sales Tax		\$ 1,107.00
3233-00-1	Article 42, ½% Sales Tax		\$ 1,108.00

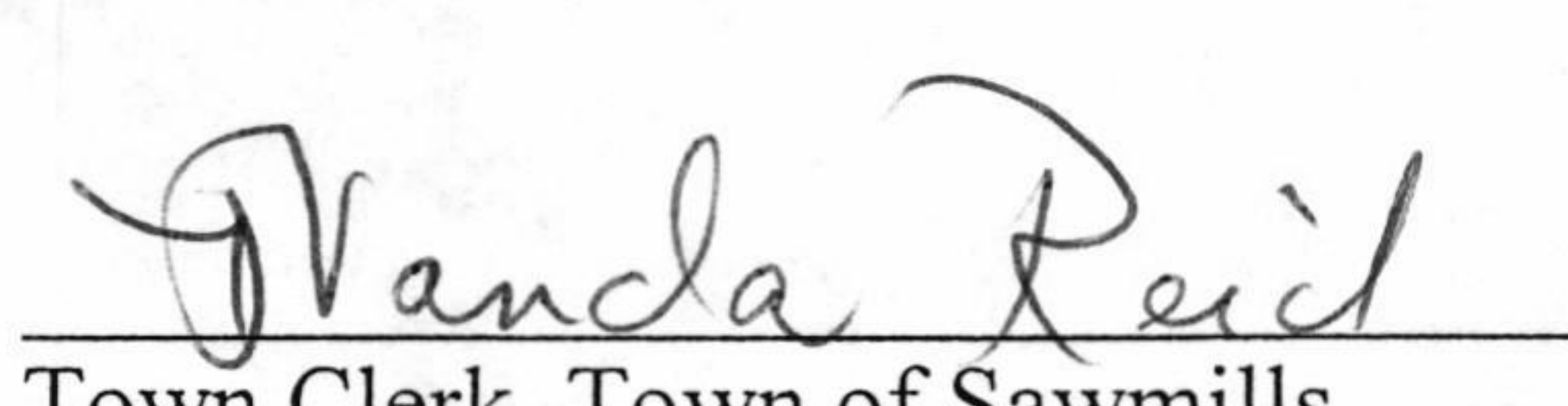
Explanation: Amendment to eliminate the operating transfer in the original 2003 budget to the CDBG Fund – counted in 2002 budget.

Total Appropriation in Current Budget	\$110,965
Amount of Increase(Decrease) of Above Amendment	(\$110,965)
Total Amount in Current Amended Budget	0

Passed by majority vote of the Town Council of the Town of Sawmills on the 3~~RD~~ day of ~~DECEMBER~~, 2002. This amendment shall be attached to the minutes of such meeting and become official upon signature of the Mayor and Town Clerk.



Mayor, Town of Sawmills



Town Clerk, Town of Sawmills

BUDGET AMENDMENT