

March 14, 2017
7:00 p.m.

The Town of Pink Hill held its monthly board meeting on Tuesday, March 14, 2017 at 7:00 p.m. in the town hall board room. Present for the meeting were Mayor Carol Sykes, Commissioners Mike Hill, James Quinn, and Penny Murphy, Town Attorney George Jenkins, Public Works Director Timmy Kennedy, Chief Joey Thigpen, Fire Chief Tony Heath, and Town Clerk Kimberly Mitchell.

Amanda A. Murphy, CPA, PLLC was the only visitor present at the meeting.

Mayor Sykes called the meeting to order and requested for all cell phones to be turned off please. Mayor Sykes welcomed everyone to the meeting. Commissioner Hill then led everyone in the pledge of allegiance. Commissioner Hill made a motion to approve the agenda and amendments if needed. Commissioner Quinn seconded the motion and it carried unanimously. Commissioner Hill made a motion to approve the consent agenda with regular board meeting minutes from February 21, 2017. Commissioner Murphy seconded the motion and it carried unanimously.

The first item on the agenda was presentation of FY 2015-2016 audit report. Amanda Murphy the town's auditor presented the audit to the board. She said the first thing to look at was the management letter inside the book. Every year when I complete the audit if I have any findings, I communicate them with a management letter. You know a lot of people look at an audit and they think it is to try to find something bad or something wrong, but she doesn't look at an audit that way. I look at it as to try to help, as an opportunity to build on the good things that are already going on here at the Town of Pink Hill because they have a really good staff and they are very conscientious and concerned about finances here. I look at my job as an opportunity to build on the controls that they already have in place. If I find anything, it is my job to communicate it but most of my findings are minor. The very first finding #1 is like she tells the board every year, this finding which is related to segregation of duties. In small towns like the Town of Pink Hill there is not enough staff to divide up all the duties among them so that creates segregation of duties problem, but the Local Government Commission understands. She said they recognize that there are things that the board can do to mitigate that finding and you already have done that by contracting with an outside CPA so you have got an outside set of eyes looking in on what is going on. She said she feels like this board is an active board, you ask questions, you look at financial reports, budget reports, and that is what you need to do to try to mitigate this finding. Amanda said this finding will be in your audit report every single year.

Amanda stated the second finding was very, very minor. She said she samples a small population of cash disbursements and in the small sample that she looked at there was one cash disbursement where a cash discount wasn't taken but it was very small amount and wasn't material at all. Amanda told Kim that she wants her to try to pay attention to the payment terms on the invoices so we can take advantage of cash discounts when they are available to us. She said that was it for the management letter.

Amanda said this other schedule she brings it every year. She said it is a schedule showing how our cash has increased or decreased from year to year and for about the past 5 years we have seen a positive increase in our cash. Amanda asked the board to turn in their book to page 13. She said this shows the financial position that the town was in on June 30, 2016 and what she mainly wanted to stress here like she showed us on the handout is our cash and our restricted cash, you did see an increase in your cash of \$42,442. She said this statement shows what was owed to the town as far as property taxes, what was owed to the town as far as water bills that were owed, anything that was owed like from Lenoir County, and shows what the town owes. Amanda said and then your net position at the very bottom is pretty much like your net worth. She said our actual net position decreased this year by \$175,000 but that was primarily due to depreciation on fixed assets. Amanda asked everyone to flip over to page 15. She said this is the balance sheet for the governmental funds like the General Fund. She said the number that she has highlighted "fund balance". This number is one of the most important numbers in this whole report. The Local Government Commission looks at this number, they analyze it, and what they look at is to see how much fund balance you have available for appropriation in the next year and they want that number to be at least 8 percent. If it is not, then you will get a letter wanting to know why. They compare the Town of Pink Hill to other units in a similar size and similar characteristics. They compare the percentage from last year to this year and if there is any significant change, then you may get a letter also. Mayor Sykes asked Amanda to explain the 8 percent. Amanda said the fund balance available for appropriation you take that number and divide it by the General Fund expenditures and that gives you your percentage. She said our percentage this year was 93.23 percent so we are well above the 8 percent that the Local Government Commissioner requires. Amanda said they want you to have that amount on hand in case an emergency comes up or some unforeseen circumstance comes up. She said the town is in very good shape.

Amanda explained page 19 is the summary of the General Fund as far as what revenues come in and what expenditures went out by department. She said the Local Government Commission looks at this statement because they want to see that the town is amending the budget. She said that is why the original budget is listed and the final budget is listed because things are going to happen that are not budgeted. The budget is just a plan so they want to make sure that the town is making the budget amendments that they are supposed to.

Amanda said on page 23 is the statement of cash flows. She said this statement is for the water/sewer fund and it shows what money came in and how it was spent in the water/sewer fund. Amanda said so that net cash provided by operating activities means that you had \$73,000 more money coming in that actually went out for operations. She said if that number was negative then we would have something to worry about because that meant that you were spending more than you were taking in to operate. Amanda said that we were \$73,000 to the good which is good and it shows that we had an increase in our water/sewer cash of \$15,000. Mayor Sykes explained to Commissioner Murphy the different types of funds that we have such as the General Fund, Water/Sewer Fund, Powell Fund, and the CDBG Fund. Amanda said the Water/Sewer Fund is supposed to be self-sufficient, it is supposed to be able to operate on its own without having to borrow from the General Fund.

Amanda told the board starting on page 24 that these are the actual footnotes. This part of the financial statement describes in word what makes up each account and how certain balances are derived. It tells you in detailed description. She said for instance if you wanted to know about the long term debt of the town, then you would look at page 44. It lists all the different notes that the town has outstanding with the fire department and USDA.

Amanda said on page 46 that tells you each note and what is coming due each year until the note is paid off.

Amanda informed the board that page 54 is the detailed statement for the General Fund. She compared last year versus this year and there was not a whole lot of change in any of the revenues or any of the expenditures. The biggest change of revenue and expenditures actually was the fire department grant and the money spent in Capital Outlay.

Amanda showed on page 56 down at the bottom where she has it highlighted, that this tells you whether you were profitable or if you were in the hole with the general fund. This year she said we were profitable and our revenues exceeded our spending by \$32,170 and we were able to add that to our fund balance. She said last year we were in the hole so this is an improvement over 2015.

Amanda explained that page 57 is a detail of the water/sewer fund. She said our revenues increased some and our expenditures also increased by \$34,000 and that was primarily due to Shelia going full time. Amanda said when you add that extra salary and the benefits that go along with a full time position that adds to your expenses. She said also our repairs and maintenance increased about \$13,000.

Amanda said on page 58 for the water/sewer fund as far as our revenues, the revenues exceeded our expenditures by \$907 and so we barely did squeak by this year and depreciation was \$231,669. She said going forward in 2017 we have got to start paying principle payments on that USDA note, so that is \$15,000 more coming up in the new year. Amanda said at the bottom of page 58 in the water/sewer fund you have to record depreciation and that always puts the water/sewer fund in a negative. She said it is like Commissioner Hill said you can't fund depreciation. Commissioner Hill said if you fund depreciation, then water rates would go up 100 percent. Amanda said she looks at the number in the middle making sure your revenues are at least what you are spending or more preferably.

Amanda informed the board that page 60 is an analysis of the property tax collection percentages for the year ending 2016. She said our total collection percentage is 96.15 percent which is really good because the state averages like 96.10 percent so we are right on the money with the state average. Amanda said excluding motor vehicles 95.82 percent and the state average is 95.89 percent, so again we are doing good. She said registered motor vehicles are 100 percent. The year before last the state changed and started making you pay the taxes when you get your vehicle renewed and since they have done that pretty much the vehicle tax collections are close to 100 percent if not 100 percent. She said that has been a positive thing.

Amanda said in the coming fiscal year when we start looking at our budget, the town's that have law enforcement had to pay that separation allowance whenever they retire. She said starting on next year's financial statements we have to accrue a liability or start accruing a liability of what it may cost the town in the future for your current law enforcement. Amanda said it is just like the health benefits and pension benefits. They are trying to make sure that you book the liability so that the town will know where they stand as far as what they are going to owe for these benefits. Amanda said we are going to need to have an actuary study done which the state is requiring it. Kim asked if it needed to be done before June 30th. Amanda said at least before the audit report is done. Kim asked Amanda did she have someone to recommend to do it. Amanda said the one that they recommended was Cavanaugh McDonald and that is who did an actuary study for her in Kenansville. Mayor Sykes asked how much do they charge? Amanda said it was about \$6,000. She said it has to be done and the league may have somebody. Mayor Sykes said she would call them and get a suggestion from them. Amanda said when you start preparing your budget, you budget for that for next year because she doesn't feel like they will probably have it done and you won't have to pay for it until next fiscal year. She doesn't think we will have to pay for it before this year is out. Commissioner Hill made a motion to accept FY 2015-2016 audit report presented by Amanda Murphy. Commissioner Quinn seconded the motion and it carried unanimously.

The next item on the agenda was B.F. Grady School Sewer District Interlocal Agreement. Mayor Sykes asked if anybody has heard anything about that. George said while the board was talking he went on Duplin County's website and on two or three of their agendas they had contracts for the B.F. Grady Sewer System and the only identification they have is contract #1 and then later on it just says contract. It was not on their agenda for their March 6, 2017 meeting but they did have McDavid Associates on their agenda but not for this, but for Calico Bay Road at Brinson Road Sewer Project. George said it was on their consent agenda for resolution accepting a state grant regarding the B.F. Grady sanitary sewer improvement for their February 20th meeting but that was a couple of days before our meeting and he doesn't see it on their March 6th agenda. He said they have another meeting scheduled for March 20th. Mayor Sykes stated they don't need to be going ahead and doing anything until our public works director is involved and that is her opinion. She asked the board what did they need to do or what did she need to say. Mayor Sykes said she was going to call them tomorrow and she called them last time. She said what does she need to ask them or tell them that they need to do if we are going to be a part of it. George said we need to know what the status is and when they are going to adopt the resolution to sign the contract. Mayor Sykes asked George if he would call them. He replied that he would call them first thing in the morning. Mayor Sykes said that Timmy needs to be involved in it and when they have a construction meeting, he is supposed to be involved. George said he is going to tell them that Timmy needs to be involved in any construction meetings after the contract is signed. Kim said really they shouldn't be doing any construction concerning the sewer line because we haven't received the contract signed back right? George stated he didn't think it was particularly wise to do so because what if the contract falls through and they don't have anywhere to put it.

The next item on the agenda was to discuss lien on the property located at 101 E. Broadway Street. George said the statues require that we send a copy of the bills to them by certified mail. He said they went out on February 23, 2017. They have 30 days to challenge those bills so that

gives them until March 28, 2017 with one minor exception. He has a document for the Mayor to sign on March 28th that will be filed with the court. The exception is that he doesn't have the exact amount of the court cost because it is based on how many pages the document is, and it looks like the court cost are going to be between \$8.50 and \$9.00. George said he served them by certified mail and the statute requires that he do that at their address that is shown in the tax record which is P.O. Box 649 Pink Hill, NC. He said the two certified letters were returned to him. George said he believes and he has asked Kim to check it, but he believes that is the same address that the water bills go to and he is going to have Kim sign an affidavit saying that the water bills go there and the water bills have not been returned and that they have been paid. He said showing that they do get their mail at that post office box. George said he thinks that they refused the two certified letters but the clock started on February 23rd. Mayor Sykes asked why we couldn't get a sheriff deputy in Duplin County to take that letter. George said we don't need to take the letter because the clock started February 23rd and it runs out 30 days later even if they refuse it. He said we will have to send the sheriff after them when we take the next step which is suing them to enforce this lien and ask the court to order it if we sell the property. Mayor Sykes asked if we were going to do that the day after the 30 days runs out. George said probably one day after the 30 days runs out, either the 29th or 30th. He said it depends on how long it takes the clerk to file that lien, it should take the matter of an hour. Mayor Sykes said we have been messing with this thing long enough and she is ready to see something done about it. George said he would need to see Mayor Sykes on Tuesday, March 28th and Thursday, March 30th. He said he will have the document for her to sign on that Thursday, March 30th. Mayor Sykes asked could we get the sheriff to go on the 31st of March. George said we will send Duplin County on the 30th to serve this by the sheriff and that is going to run us \$60, \$30 per person, and we will have to pay it to the sheriff but that is added into their cost also.

The next item on the agenda was to discuss the date and time for the appreciation dinner that the town board is going to provide for Fire Department, Police Department, and town employees. Mayor Sykes said they have worked hard all year and she just thinks we need to do something to show our appreciation. She said I think we show it, but I want to really show it. Mayor Sykes said she thinks this town board and herself need to pick a day and get together and see what we are going to cook. Commissioner Hill asked if we wanted to do this on a Saturday. She said this would be for the wives also. Mayor Sykes asked if Saturday, June 3, 2017 would be okay. Commissioner Hill said that we could have it at the cafeteria if they don't care. Fire Chief Heath said if it has not been rented out for that day. Mayor Sykes said if it is, then we can have it at the fire department. Commissioner Hill said that would be fine. Police Chief Thigpen spoke up and said they could have it in the bay. Mayor Sykes said that is what she would really like to do. She said she would love to have it in the bay here because it is more convenient to get to everything. Mayor Sykes said let's do that, let's have it in the bay. Commissioner Hill said the firemen have got to let them know how many will be coming and spouses too, Joey and Michael, Timmy, Alex, and Phillip. Mayor Sykes said what time do we want to have this, at night or lunch? Which would you rather do? Commissioner Hill said about 5 o'clock in the afternoon. Kim asked if there was a time frame when they would need to know how many are coming. Mayor Sykes said yes. Commissioner Hill said they need to know how many people are coming by May 9th.

The next item on the agenda was to discuss House Bill 64 changing municipal election cycles to even years and adopting a resolution opposing or supporting bill. George said it is what it says on the agenda. He said in reading the statute that is proposed it does talk about changing the election cycles to even numbered years but it doesn't say anything about partisan elections. Commissioner Hill said but it doesn't change the number of years? George read in order to maintain staggered terms for municipalities that currently hold municipal elections in odd number years, officials who are elected every 2 years and whose terms would expire in 2021 shall continue to serve until 2022. He said so they get a 3 year term instead of a 2 year term. Commissioner Hill said so a person with a 4 year term it is not going to make a difference. George replied right, then said wait a minute. He said for municipalities where elected officials are elected every 4 years those elected in 2017 will serve a 3 year term until 2020 and then 4 years thereafter, those elected in 2019 will serve a 3 year term until 2022. George said so if you have 4 year staggered terms like we have. Commissioner Hill said anyone who runs this year will have to run again in 2020. George said yes, whoever runs this year will run again in 2020 and whoever runs in 2019 will run again in 2022. He said so instead of a 4 year term you would serve a 3 year term. Kim said so what in this needs changing and George replied a lot. Mayor Sykes said we looked it up and she told Kim to put opposing down there because what is wrong with the way we do things now. George said he doesn't know, he doesn't have any objection with it but apparently Representative Warren, Conrad, Jones, and Collins do. Mayor Sykes said she doesn't agree with it and George said he doesn't either. George said basically what you are doing is waiting for a motion and you have not heard one, so you just move on to the next thing on the agenda.

The next item on the agenda was discussing Broadband in Pink Hill. Mayor Sykes said all of us have heard about the broadband technology and from people that have been in the meetings, big farmers are all for this. She said the broadband people are asking to use our water tower to put an antennae on and we have talked back and forth with Kent Winrich and he has been to our meeting. Mayor Sykes said Kent Winrich's company is wanting to rent a space on the water tank for the broadband and she thinks the farmers and people are encouraged by this and wanting to do it. She has talked with Scotty Wilkins with Utility Services and he has been a big help at looking around at different places to see what they did. What Kent and his company would like to do is have a 60 day trial period of putting the antennae up there but it has to meet our specifications. Mayor Sykes asked Timmy if he had gotten those specs yet. Timmy said yes the ones that were sent to Kim and also sent to Mr. Kent. Mayor Sykes said are those ones by Scotty that he had seen. She said ok because Scotty and his company are the ones who paint our tower and take care of it and Scotty just felt like what Kent had presented was not secure enough. Mr. Winrich is wanting a 60 day trial period to see and it may not even work once he gets it up there to see if what they are proposing will work. She said that is the first part of the program is for them to see and Timmy will have the wires and whatever else if we approve that and then they would pay us each month and we haven't come to that yet. Commissioner Quinn asked who pays for the modification of the tank. Mayor Sykes said they do, we do not pay a dime. She said after 60 days if it works, then we will go into contract for payment. Commissioner Hill asked if Scotty gave a price on how much to charge them. Kim replied not yet. Mayor Sykes said not yet but we don't have to worry about that because she is looking at some other things and she has got two or three different people but he is going to look into that for her. She said they first said \$1,200 a year but that is not going to work for her because that is not enough and then he said

\$1,500. Mayor Sykes asked Commissioner Hill if he had heard of any other. Commissioner Hill said he could talk to a couple of towns that have got them on there. Mayor Sykes said she knows Elizabeth City has got three tanks. Commissioner Hill said he knows Pine Knoll Shores has got their tank by the aquarium with all kinds of antennas on it. Mayor Sykes said yes do that, but right now we are not discussing cost or payment. Timmy said there is one other person he failed to contact to make sure there is no conflict and that is Microcom who has our SCADA system for Neuse Regional. He said they are already on the tank and it shouldn't be a conflict. Mayor Sykes asked him to check on it tomorrow. Timmy said he would have to have some type of spec sheet so that he could forward to Microcom. Commissioner Quinn asked if they are the ones that monitor the water in the tank and Timmy replied yes sir. Timmy said they monitor the levels and that tells the vault the incoming space right by Food Lion when to open to send us water and when to shut off.

Mayor Sykes said that Susan has had meetings at her house and there has been some other meetings I reckon, but I have been to the ones at her house and there have been people there John Currin Howard, Ray Collier and people out in that area and not only them because some of the children don't have internet in certain places. They are talking about more for their farmland. Mayor Sykes said she would suggest that we give approval for them to do the test after we get the insurance and the agreement for this period of time saying that we are not liable for anything. She said they have got insurance but they don't have what they need to have and she has told Kent that. Mayor Sykes said she would like to see us do it. She said she thinks we would be shooting ourselves in the foot if we didn't do it. Commissioner Quinn stated that this is something that he may have to step away from because it is like a conflict of interest for me and what I do. He said this would be somebody competing with his bread and butter. Mayor Sykes stated she understood. She said we need two votes for it and she would really like for them to vote to go ahead and start this trial period. Mayor Sykes said it is a 60 day trial and they pay for everything. She said we won't be out anything. Kim said but this that you are talking about is just doing a 60 day trial. Mayor Sykes said yes a 60 day trial period to see if it will even work. She said if they get up there and find out that it is not going to work, then it is all over. Commissioner Murphy said so we are not making any commitment to it tonight. Mayor Sykes said we are just giving them the approval to have their 60 day trial period. Kim asked so there will not be any contracts yet? Mayor Sykes said no, but there will be an agreement showing that they are going to be responsible for anything within this 60 days if anything should go wrong. Kim said so who is going to do that agreement. Mayor Sykes said well, Kent will be. Mayor Sykes said she needs a motion that we give them a 60 day trial period. Commissioner Hill made a motion that we give them a 60 day trial period. Commissioner Murphy seconded the motion. Mayor Sykes asked if there was any discussion if not all in favor say "Aye" Commissioner Hill and Commissioner Murphy replied "Aye". Commissioner Quinn did not vote on this issue due to possible conflict of interest with his employer.

The next item on the agenda was CDBG Grant for Broadband and Tech Center (PH Media Center). Mayor Sykes said years ago we got a grant from the state and it was the last grant like that of its kind and it was when Cordset Design began its business here. The grant was really a federal grant but we did the grant for Cordset Design and they had to pay it back because we gave them the grant money. She said they had to pay us back and we have still got right many dollars in there. She said the money was for capital improvements for our water or sewer or

whatever. Mayor Sykes said it had been so many years, like 25 years, and the grant was dead as far as any of the stipulations and we wanted to put a roof on the library. She said Amanda, our auditor, said we could not do that because it is grant and it is year marked. Mayor Sykes said she called the Department of Commerce and talked with everybody there and they didn't know anything about what I was talking about. She said finally she got to George Sherrill and he said he didn't see why they couldn't use it. He said in my opinion you can use it but he said he was not the head honcho. She said she called this other guy and then he told me that we were going to have to pay that money back to the state. She said do you know how long we have had this money, we have had it over 20 years and we have got paperwork somewhere saying that money is ours. Mayor Sykes informed the board that Senator Rouzer's representative came on Tuesday's once a month for a while and she told him about it. He said well you find me where it says that it is free now. She said she went up in the attic and brought all that stuff down and it took her a day to go through all that stuff, and the last sheet of paper she pulled out was what she needed. She stated it said we could use it and didn't have to go through the state anymore. Mayor Sykes said she called George Sherrill back and said guess what I got it.

Mayor Sykes stated when this grant thing came up for a technology center/media center and George Sherrill saw Town of Pink Hill and Carol Sykes. When he saw it he said oh I want Pink Hill to have this. He said Pink Hill is going to get this grant because he knows Carol Sykes and said she will fight for you too. Mayor Sykes said we can get a CDBG grant for the tech center and it doesn't have to be paid back, it is free. She said she would certainly like for us to do something. Commissioner Hill asked does the town administer the grant. Mayor Sykes said no, let me get to that. She said this place over here will have to be the Town of Pink Hill's. Kim asked are you talking about the media center? Mayor Sykes said yes I am talking about the media center has to be a nonprofit or no one else can apply for CDBG grant. Kim said a CDBG can only be done through municipalities. First and foremost they may not even agree to do it. Mayor Sykes said they would have to deed it to the town and she wouldn't have it any other way, if we are going to do it then it is going to be the town's free and clear. She said it would be a technology center and there would be tenants coming to use that place. First of all they are going to have to get it surveyed, going to have to deed it to the Town of Pink Hill or we are not going to do it. Commissioner Hill said if we get the grant, does Kim and the town administer it. Mayor Sykes said yes, we will administer the grant. She said they won't have a thing in the world to do with the grant. Commissioner Hill said what about the tenants that you mentioned. She said that would be down the road. He said they would rent space and it would come to the town. Mayor Sykes said yes. She said that George said it is your money and you don't have to have it. Kim asked what kind of tenants. Mayor Sykes said media tenants, I don't know, whatever goes in technical stuff. Kim said well what kind of tenants and are you guaranteed tenants because she is looking at the aspect of you acquiring another building that you are going to have to have maintenance, insurance, lights, and all of that. Mayor Sykes said she understood that. Kim said she is looking at expenses for the town. She said yes you are getting grant money free but you have to look at after you have used the grant money and you have had the building upgraded and fixed, then you are going to have your expenses. Kim said where is that money going to come from and are you guaranteed to get tenants in that building. Mayor Sykes said no, you are not guaranteed anything but she certainly thinks it is an asset for the town and the community too. Commissioner Murphy said technology center and you're not talking library now. Kim said she is talking about the old school library is the building. Mayor Sykes said that

is the media center that we always called it. She said we would have to remodel it and do everything. Commissioner Murphy asked who owns it. Kim said the Preservation. Mayor Sykes stated but they can't do this. Kim asked if they were even aware of it. Mayor Sykes said yes, they are aware of it. Commissioner Hill stated he had a telephone call Friday afternoon about it. Mayor Sykes said we are getting the grant and we can improve that building. Commissioner Hill said one thing he is wondering though did they know that they are going to have to give it to the town. Mayor Sykes said yes, she has told Susan because she was talking about we can do this and I told her you cannot do this. Commissioner Murphy asked so they are not eligible for grant money? Mayor Sykes said no, it is only for municipalities. Kim said this type of grant. Commissioner Murphy asked we couldn't do it without them deeding it over to the town? Mayor Sykes said right, it will have to be the Town of Pink Hill's. Kim said because we don't have a building to put it in. Mayor Sykes said she is hoping that this broadband is going to work and that way we will be getting money from that and she is hoping that it will be a win/win situation. Kim said I wasn't trying to be a Debbie downer but she was trying to be realistic. Mayor Sykes said she just thinks it would be an asset for the community. Commissioner Quinn asked is that offering free internet for the children who don't have internet where they can come and do their homework. Mayor Sykes said they would get internet through it. Kim said yes, but they would have to pay for that. Commissioner Murphy said the problem with those kids that you are talking about, I know it sounds like well they just don't have it anywhere, but the kids she taught anyway for the most part it was a financial issue. She said it wasn't that it was not available in their area but they could not afford it. Mayor Sykes said well that is true, but this broadband is supposed to help that. George said his understanding is that the broadband is supposed to be like a TV or radio signal and it was supposed to be free and it was not supposed to be encrypted. Kim said oh no they are going to charge. Commissioner Quinn said yes they are going to charge. Commissioner Murphy stated that is what she heard also. Commissioner Murphy said that is what she has heard also and that is not going to take care of the educational issue. Mayor Sykes said she would like for these people to come here and explain it because she can't explain it, but she does think that we need to look at the media center. Commissioner Quinn said if they are going to put it over there for the kids who don't have it or can't afford it or something like that, then that would be great. Commissioner Hill said as a town if we are going to own it, we can set up a room for kids who don't have access and they could come in and use it for free. Commissioner Murphy said kids do that right now in front of the Wellness Center.

Timmy said would it be possible, because the Wellness Center has had an interest in that building from the get go to develop it into something like what you are talking about, for us (the town) to acquire the building and get the grant monies and fix the building up and maybe rent it to them to run it. He said they would have to pay some type of rent to keep the upkeep up and that would kind of expand their wellbeing over there also. Mayor Sykes said why can't we have a meeting and she will have all of those people here. She said she hates to see all this money go and she understands if we birth it we have to feed it but she just thinks it will bring in more interest in the Town of Pink Hill and she may be completely wrong. Commissioner Hill said if you have got technology somebody might be going to put a business somewhere saying well they have got technology there we can go there and we also have got the water. Kim said she was just wondering when they say tech building what type of businesses were going in there for it to be called a tech building. Mayor Sykes said I don't know, but I know it has always been called a media center. Commissioner Hill said let Mayor Sykes get the people here and we will

talk to them. Mayor Sykes asked could we call a special meeting because that grant is not going to be open that long. George said you probably need to call a special meeting for the time involved, if you got to move quickly. I don't know that you have time between now and the April meeting. George said it probably should be a dedicated meeting just to that.

Commissioner Hill said or we can have it an hour before our next meeting. Mayor Sykes stated she would like to have it before then, if we can. Kim asked could the board go ahead and do a motion to say that they would like to proceed with the CDBG grant and that way we can kind of get the ball rolling because of the time frame? Mayor Sykes stated for the application we may have to somebody like David Harris because he did the one for Cordset. Kim said with the stipulation if we see that it is not going to be beneficial. George stated instead of doing it that way, just say that the town will proceed on collecting information for possible application for a CDBG grant. Mayor Sykes said she told George Sherrill that she would like for him to come and talk to the board. George stated what Kim was saying about getting the ball rolling she can get started on doing things, but I don't think she is authorized to apply for the grant. He stated that the board could authorize her to collect the information and all that, then at the special meeting you can vote to tell her to apply for the grant. Mayor Sykes said that George Sherrill will send the information here, but she would like for him to come and talk with you all together. Kim said you don't want to wait until the next board meeting? Mayor Sykes said she will call him. Commissioner Hill made a motion to let Kim proceed in getting the information for the CDBG grant for our next meeting or a special meeting. Commissioner Quinn seconded the motion and it carried unanimously.

Commissioner Quinn said he would like to know what kind of tech they were talking about, what are they trying to bring here because he would like to know. He said he has heard that they want to bring John Deere in here to show these boys how to use the GPS or whatever, where to spray not to spray type deal. Commissioner Quinn said that is not going to last forever. Mayor Sykes said she doesn't know and doesn't have any idea and there is something about the medical prospect of it. Commissioner Quinn said and if you put kids in there, who is going to oversee the kids. Mayor Sykes said I don't know but somebody would have to be in there. Commissioner Quinn said there would have to be supervision. George said I don't have a vote but is he wrong in assuming that he thought he heard somebody say that the internet that this broadband thing is going to put out isn't needed in Pink Hill because inside the town limits have wired internet, fast internet, but once you get out of the town limits that it is not really available. He said and that is why John Currin Howard and them want it. Mayor Sykes said it is about their farming however that works and some of their children out there. George said their farming operation has gone so much computers now and they need high speed internet to contact Iowa or wherever.

Commissioner Quinn said he thinks what they are wanting to do is put this as like the hub or the center and then send it out. He said that is what he was understanding from them because this is going to be where they would get their pipe from either Time Warner or CenturyLink to give them that fiber so they would have that pipe to get it out because they don't have it.

Commissioner Quinn said you have got to have something feeding it to broadcast it out. Mayor Sykes asked if there was any CenturyLink pipe. Commissioner Quinn said there is fiber all over this town. He said there is fiber going in to the Wellness Center. Mayor Sykes said but to send it out there or farther would they have to tap into your line if it was allowed. Commissioner Quinn said once we send it to them then they are going to broadcast it out and then they are going to be reselling it. He said somebody is going to have to pay either CenturyLink or Time

Warner so they are going to have to charge somebody for it. Mayor Sykes said it seems like isn't there a company being formed for the broadband. Commissioner Quinn stated he had no idea. Commissioner Hill said he thought that was what those two guys were doing. Commissioner Quinn stated that is exactly what I am saying. Mayor Sykes said there are some partnerships and something because at a meeting John Currin and Ben Knight were there talking about forming something co-opt, but she didn't know. Commissioner Quinn said you are going to have to get a lot of people on board for it to be profitable. Mayor Sykes said well that would be them. She asked him on the Broadband and Commissioner Quinn stated yes. He said because he just doesn't see it but he does not know what their cost is going to be, I don't know who is going to supply them the equipment they are going to need when it gets to somebody's house. Commissioner Quinn said there are a lot of I don't knows. Mayor Sykes said that is why we need them here so we can ask questions because she doesn't know. Commissioner Quinn said again there is a conflict for him and he has got to stay out of this one. Mayor Sykes said she understood. She said she would just like to see the town grow a little bit.

The next item on the agenda was NCRWA Conference. Commissioner Hill said the week of May 15th there is a state conference in Greensboro and we offer training and there are a whole lot of vendors with all different kinds of equipment. He said that Timmy and Kim have been going and also Alex went last year. Commissioner Hill said that Timmy said two people wanted to go so we need the permission to let two people go to our conference which starts on May 15, 2017. He said classes start on Monday afternoon and lasts through Thursday at noon time. Mayor Sykes said I wish, but I guess we don't have the money, or would love to see Penny go just to get comfortable with some of these things that we are talking about. Commissioner Murphy said she would love to learn some more but because of her mother she cannot be gone. Commissioner Hill said sometimes when they have got some of these one day events something like that could you go to one of them? Commissioner Hill stated he would try to line one of them up. Commissioner Murphy stated yes and Commissioner Quinn stated he could probably do a one day. Commissioner Hill said he would like to see two people go to the conference. Commissioner Quinn made a motion to send Timmy and Alex to the NCRWA Conference on May 15, 2017. Commissioner Murphy seconded the motion and it carried unanimously.

Police Updates was next on the agenda. Chief Thigpen said since the last meeting on February 21, 2017 they have had 2 reported incidents, 2 arrest, 3 accidents, issued 10 citations, 10 charges, and 6 warning citations. Mayor Sykes and the board thanked Chief Thigpen.

The Fire Department report was next on the agenda. Fire Chief Heath said since the last meeting they have had a total of 16 calls, 7 EMS calls, 2 brush fires, 4 traffic accidents, and 3 auto alarms. He said they have also submitted their 50/50 state grant and should know something by May 15th. Mayor Sykes thanked Fire Chief Heath.

The next item on the agenda was Water/Sewer report. Timmy said they have four dead trees in the little median in Park Circle and he has gotten prices to take them down. He said the top price is them taking care of the whole thing except for the root. He stated they would not do any stump grinding or anything like that but they will take all the trees down and haul them away which is the price that he would like to see the board okay. The other estimate is for them to just put the trees on the ground so that we can haul it away and it is four trees and he really doesn't

have a site to carry it to. Commissioner Quinn said you can't burn or nothing no more can you. Timmy said he could burn them right on site but you wouldn't want to burn four trees on site there. Kim said and just to let you know if you approve to do this, she has included this in a budget amendment because we didn't have a line item because it is going to come out of the General Fund. She said what we are going to have to do is take money from the General Fund savings for that \$2,500. Timmy said if it was a limb or two, we usually can handle something small but there is three phase power on both sides of that little median. He said those trees are dead and dead trees are hard to tell which way you are going to throw them. Timmy said he would like to see us go ahead and take care of this. Commissioner Hill made a motion to do option #1 for \$2,500 to take it down and get rid of everything. Commissioner Quinn seconded the motion and it carried unanimously. Mayor Sykes said all in favor say "Aye" and everyone said "Aye". Mayor Sykes said of course we know they have insurance and all that right. Timmy said yes ma'am they do and that question was asked.

Timmy said they have started the chlorine conversion. He said there will be a lot of flushing going on over the next week to week and a half to try to get that taken care of. Timmy said this is something that they do once a year. He said they change their disinfection from chlorine and ammonia which creates chloramines as disinfection for our water and now we are using just chlorine which is free chlorine. Timmy said they call this a burnout and we do it once a year and this is recommended by the state. He said so far it is going well. Timmy said they had a washout at their Broadway tank which was on schedule today so we are down one tank. He said that is going to work out where we will get it all squared away tomorrow hopefully and get it filled back up. Timmy said he has to do a Bacti sample on the water again because somebody had been inside the tank and after that I will be able to put that tank back up.

Timmy said in their packet they should have copies of some estimates for some paving. He said they have used Garris Paving two or three years in a row to do roads and some patching and they did a very good job. Timmy said the last couple of times that he got bids he didn't use Lucas but this time he decided he would. He said Lucas Paving was the low bid in this round. Timmy said he was expecting the bids to come in a little closer to being the same. He said one is \$11,600 and one is \$6,300. Timmy said if you notice on the Lucas bid it says if we do it all at one time instead of them having to bring the equipment up here on two different occasions, they will knock \$900 off the bill so that will bring the bill to \$5,400 instead of \$6,300. Timmy said this will come out of the Powell Fund. Kim said except for \$1,050 which will come out of the Water Fund because of a Deep Run manhole on A.R. Munn Road and it can't come out of Powell because it is not one of the town's streets. She said we will have to do another budget amendment out of the General Fund and out of the Water Fund for this because there again with the Powell Fund we have got the RB project on North Front Street and this. Kim said we will talk about that more at budget amendments but she wanted them to be aware that we would have to do a budget amendment. Mayor Sykes asked Timmy if both of these bids were the same as far as what he wanted done. Timmy replied yes ma'am. Timmy informed the board that Bryan Lucas works for the City of Kinston in the water department and does this as a second job. Commissioner Hill said in other words \$11,000 vs. \$6,000? Timmy replied and that maybe why it is cheaper because it is his second job. Commissioner Hill asked if Lucas Paving had done work for us before. Timmy replied no, he did price him maybe at least two other times but his price was higher. Commissioner Hill asked Timmy if he had talked with anybody else he had

done work for. Timmy replied no sir but he has been in business quite a while. Mayor Sykes asked did he have insurance. Timmy said it says he does but we have not seen the proof yet. Timmy said if Lucas Paving doesn't have the right insurance before using Garris Paving, he would rather wait until he comes back before the board. Commissioner Hill said that he would call Wallace and get the name of that person down there in case he doesn't have insurance because they do and let you get a price from them too. Commissioner Hill made a motion to approve Lucas Paving pending proof of insurance. Commissioner Murphy seconded the motion and it carried unanimously.

Timmy said in talking with the state and the core of engineers over three months, he finally got a final permit to proceed on the job on North Front Street to repair that cross tile. He said in talking with the RB Group which is who we hired to do the job, he has ordered the parts. Timmy said it is going to be a prefab type of head wall so he had to order them. He said they will come in pieces and they will put them together on site. Timmy stated they said as soon as they come in they will be in contact with him and we would schedule a time because we are going to have to shut the street down for at least a week or a portion of the street. Commissioner Quinn asked Timmy if that was going to be aluminum bulkhead or what kind of bulkhead. Timmy replied no sir, it will be precast and at the same time they will be taking out one 5' pole that is galvanized and putting back two 4'. He said it will be precast so it will be cement. Timmy said we couldn't afford aluminum. He said while this work is being done they are going to replace the sewer line that runs through there also put back duct wiring which is what should be there.

Kim asked Timmy to mention to the board about the school not hooking up to the sewer. Timmy said when you go into the new Pink Hill School over to the left just before you get to the school and where the school buses and stuff park, they have like a play area. It is not actually big enough to be a ballfield but that is where they go out and do their activities. They don't have bathrooms or drinking water out that far away from school so when the kids walk out there they are on their own and if somebody gets in a tight, then they have to go all the way back to the school. Timmy said the PTA came to him a year ago and asked him if they could tie on to the sewer. He said the sewer is all on private property so we would actually have nothing to do with it as far as the tap fee or anything like that. Timmy said it would all be a contractor that they would have to hire. Timmy said there is enough fall there and all that. He said we are still going to get the water and if they send us sewer we will get that too. He said he told her because they were out of town that the best thing that they could do and the cheapest route would be, if it would perk, to put in a septic tank. Timmy said it is out of town and he can't keep her from hooking on to the sewer system. Kim said the Larry with the maintenance department called today and is wanting her to say that the town says that they don't have to hook up to the sewer and that they can put a septic tank down. She said Chris Harrison from the Health Department is needing that. Timmy said it will be very expensive for them because of how deep it is and it is on the opposite side of the roadway that goes in there, so they are going to either have to open cut it or do some type of directional bore which would be kind of expensive too. Commissioner Hill said it would be on a grade directional bore. Timmy said he would suspect that you are looking at \$25 a foot and that is probably on the low side just for the directional bore and that is not counting the tap which that sewer line is 13 feet deep. Kim said she basically was wanting a motion saying that y'all are saying that it is okay. Timmy said they are trying to put drinking water and just a simple little boys/little girl's bathroom in a small little building. Commissioner

Hill said this is on Deep Run Water right. Timmy replied yes sir it is. Commissioner Hill made a motion to let them put a septic tank in. Commissioner Quinn seconded the motion and it carried unanimously.

Timmy said that he is upset that the county is not paying for this but the PTA is paying for this. He said this is the wellbeing of the children that are going out there and the county is not picking up the tab. Timmy said praise God that there is a PTA that has raised enough money to do such things. Commissioner Hill said while we are on that subject out there. He asked where was that access road that you were supposed to be able to go in and out instead of just one way in? Timmy said red tape. He said he asked that question and red tape shut it down because there was some trees that had to be cut and it is wetlands real close.

The next item on the agenda was budget amendments if needed. Kim said you have a whole list of budget amendments. She said you have got to do an amendment in the Powell Fund to increase the expenditures to do the asphalt patches on the town streets in the amount of \$5,950 and to pay the portion of the drainage repair on North Front Street, in the amount of \$28,050.40 because the total project is \$40,744.40. Commissioner Hill made a motion to approve all the budget amendments. Commissioner Quinn seconded the motion and it carried unanimously. Kim said there are two transfers also.

Remarks by Town Attorney was next on the agenda. George said with the legislator in session there are going to be all kinds of proposed laws, bills that will be proposed that will affect municipalities. He said he gets some of them through the League of Municipalities and he will watch for those and will let us know if he sees something. George said Kim is on the list serve for the clerks and he would think that they would give her some. He said between the two of us hopefully we will find out what they are doing up there. George said as one member of the house of representatives told him years ago, no man's life, liberty, or property are safe as long as the legislator is in session. He said he would say that it would also apply to any municipality. Mayor Sykes thanked George.

The next item on the agenda was Comments by the Board. Mayor Sykes said on the tower for 60 days we approved that right. Commissioner Hill said yes. She said but the other we are going to talk about. Mayor Sykes said she is sorry she can't give you more information but like she said she is not in the technology business. She said the concept whatever I can get of it seems like it is a good idea.

Kim said that Yvonne Deatherage called and the Greater Pink Hill Queen's Court tea party raise money because they have to do a project. She said they are wanting to do a phosphate shark tooth find out at the park. It would be a 12 x 12 frame. They would have somebody come and deliver the phosphate and then the gentleman is going to build the frame after it is already dumped. He is not going to build the frame first. Kim said that Yvonne wants Timmy to meet with her out there because she knows the water tank is out there and wants to know where a good place at the park would be to put it. She said that would give the kids something extra to do out there at the park. Kim said Yvonne said eventually they are going to wait until after all the festivals are over, the Greater Pink Hill and the little pageant girls are going to do some things out there at the park to make it better. She wanted Kim to bring it up to see if the board would

allow them to do the phosphate shark tooth find. They have one at the Nature Center in Kinston. Mayor Sykes said anything that will enhance the looks and play area at the park, she thinks is good. Commissioner Hill made a motion to allow them to put the shark tooth find at the park. Commissioner Murphy seconded the motion and it carried unanimously.

Commissioner Hill said that he is proud to be here and appreciates the job that all the departments do.

Mayor Sykes asked the board if they have a particular night or evening for a meeting with all these people. She asked what about April 5th if she can get them all here. Kim said this will be a meeting that she will have to advertise in the paper, website, and on the door. Commissioner Hill said either the 5th or 6th either one. Commissioner Murphy and Commissioner Quinn said that would be fine. George asked if it could not be on the 6th. It was scheduled for April 5, 2017 at 7:00 p.m. Kim asked who would be attending the meeting? Mayor Sykes said George Sherrill and Kent Winrich. Kim said so Kent is in on the tech building. Mayor Sykes stated well he is broadband and she wants him to explain. Commissioner Quinn asked how are they going to do a temporary thing if they don't have the feed coming in? Mayor Sykes said they are going to have to put the feed in. Then she said I don't know what you're talking about. She asked are you talking about the electricity to it? Commissioner Quinn said unless they are going to just broadcast a dummy signal out there just to see how far it goes to see if you can pick it up. He said you won't be able to go online because you won't have anything feeding it. Mayor Sykes said it is just to see how far it will go I guess. Commissioner Hill stated that they will have to have internet before they can do anything. Commissioner Quinn said they would have to have Century Link or Time Warner one of the two. Commissioner Murphy asked is the Preservation Committee in addition we're meeting with on that date? Kim said she would think that you would need the Preservation people and the Wellness people. George said the town does own the two-story part. Mayor Sykes said that is what I just started to say. Kim said I wish you would have brought that up to them. Mayor Sykes said she thinks we could get the grant if there was something to do with the two-story building that the Fire Department would like to have. Commissioner Murphy asked don't you have to specify when you apply for the grant exactly what you are using the grant for? Mayor Sykes said yes, but it is the towns and we can use the grant for that. Commissioner Murphy said how can you use, ok I'm confused. Commissioner Murphy said if you have to specify in the grant what you are using it for, how can we say that if the Preservation Committee won't, then we can. Mayor Sykes said yes, before we specify if the Preservation Committee is not interested in doing this, then it is a moot point. She said we just have to specify once we find out. Commissioner Murphy said ok gotcha. Mayor Sykes said if the Fire Department, I thought about that too and I meant to mention it, but I forgot it tonight. She said she needed to ask them what they would want and what would be good because she would hate to see the town not get the grant. Kim asked is that CDBG money for a tech building or any type of building? Mayor Sykes said she is thinking it is for any type of building but the tech center just came up because of George Collier that guy that is in Raleigh. Commissioner Hill said what if we apply for this grant and they don't want to give us the building. He said is there enough money in there for us to build our own building over here on this land that we own and put the tech center over there. Mayor Sykes said we might could. Kim said if US Cellular is not going to put their tower there. Commissioner Hill said they are just using a small portion of that land.

The next item on the agenda was Public Comment Period if needed. There were no public comments at this time.

The next item on the agenda was Closed Session if needed. There was no need for a closed session at this time.

With there being no further business to be discussed the meeting was adjourned.