

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

Call to Order/Invocation/Pledge of Allegiance

The Town Council of the Town of Belhaven met in regular session and held a public hearing on Monday, August 14, 2006 at 7:00 P.M. at the Boyette Civic Center at 257 West Pungo Street. Mayor Adam W. O’Neal called the meeting to order at 7:00 P.M. with the following Council members present: Albert Baker, Steve W. Carawan, George R. Ebron, Jr., Mayor Pro-Tem and Cynthia M. Heath. Town Manager Tim M. Johnson, Town Attorney Keith B. Mason and Town Clerk Marie J. Adams were also present. Mayor O’Neal recognized Mrs. Octavius Brewington with White Plains Church Ministries, who gave the invocation. Mayor O’Neal led the Pledge of Allegiance.

Public Hearing on Proposed Sale of the Former Belhaven Fish & Oyster Property

Mayor O’Neal called the public hearing, concerning the proposed sale of the former Belhaven Fish & Oyster (BF&O) property, to order at 7:03 P.M. Mayor O’Neal recognized Mr. Bob Holz, resident of 443 East Water Street. Mr. Holz questioned if the proposed buyers of the former BF&O property could resell the property after the purchase and if the easement and the donation of the 80’ of property be a condition if the property was resold. Attorney Mason stated that the original option was assignable from the Beaufort County Committee of 100 to Dixon and Hoyle and that there had been no mention of resale but they would have to abide by the zoning laws. Mr. Holz suggested that the conditions including the 80’ on the street side and the 15’ easement be included in the closing documents. Mayor O’Neal asked Attorney Mason did the wording in the option to purchase state that should the property not be developed that it reverts back to the Town. Attorney Mason stated yes, but this was a moot point due to the fact that the property is in the process of the beginning of the development. Councilman Carawan stated that restrictions could be put on the property. Attorney Mason stated that wordage in the sale could be included to insure that the developers move forward with the proposed development project. There being no further comments or questions, Mayor O’Neal declared the public hearing closed at 7:15 P.M.

Approval of Minutes – June 12, 2006 Re-Approve and July 10, 2006 Regular Session

Mayor O’Neal stated that the minutes of the June 12, 2006 meeting should be re-approved due to the paragraph concerning the adoption of the Capital Improvements being omitted in the minutes when presented at the July 10 meeting and the review and adoption of the July 10, 2006 regular session were needed. There being no corrections to the minutes, Councilwoman Heath made the motion to approve the June 12 and July 10, 2006 minutes as presented. Councilman Baker seconded the motion which carried unanimously.

St. Reddick Missionary Baptist Church – Street Closing Request

Mayor O’Neal stated that Mrs. Lydia O’Neal with St. Reddick Missionary Baptist Church was requesting permission to close a portion of Pantego Street between Pamlico and Croatan Streets between the hours of 12 noon and 2:00 P.M. on Saturday, September 2, 2006. Mayor O’Neal recognized Mrs. O’Neal and asked the Council if they had any questions concerning the request. There being no questions, Councilman Carawan made the motion to authorize the closing of Pantego Street from Pamlico Street to Croatan

Belhaven Town Council Meeting
Minutes – August 14, 2006

Street between the hours of 12 noon and 2 P.M. on Saturday, September 2, 2006.
Councilman Baker seconded the motion which carried unanimously.

Citizen Presentation on Unemployment in our Community

Mayor O’Neal stated that Ms. Sandra Allen had requested to be on the agenda to discuss unemployment in the Belhaven community. Mayor O’Neal asked if Ms. Allen was in the audience. Upon Ms. Allen’s absence the item was postponed.

Request for Abandonment of Right-of-Way – Haslin Street

Mayor O’Neal stated that Ms. Cheryl Coleman and Mr. Charles Latham had requested that the Council consider abandonment of the right-of-way on the south side of Haslin Street that runs to Pantego Creek. Mayor O’Neal recognized Ms. Coleman who stated that the right-of-way on Haslin Street from Main Street to Water Street was 40’ and then from Water Street on Haslin to the Creek the right-of-way was 100’. Ms. Coleman stated that clarification was needed in order for her neighbor, Mr. Latham, to obtain permits to repair his docks and boat house and to establish the correct right-of-way for both property owners. Mayor O’Neal stated that the right-of-way of Mill Street on the south side of Main Street had been abandoned for the developers of the proposed Cooperage development and certainly the right-of-way could be abandoned for life long citizens. Councilwoman Heath stated that Town Attorney Mason should research the right-of-way in question. Town Attorney Mason stated that a lot of the right-of-ways were unclear and suggested that information be compiled from the last survey that was performed for the site of the Emergency Services Center. Councilman Carawan asked Town Attorney Mason the procedures on the abandonment of the Mill Street right-of-way for the proposed Cooperage project. Town Attorney Mason referred the question to Town Manager Johnson as the circumstances were different and not solely handled by him. Town Manager Johnson stated that the south side of Main Street was a paper street and that after the street is built it will be deeded back to the Town. Councilman Carawan asked if the street would be in the same location as the former paper street. Town Manager Johnson stated no, for property development reasons. Ms. Coleman reemphasized the need to know the right-of-way of the south side of Haslin Street and further stated that research was not easy due to the lack of right-of-way records. Councilman Baker asked if there was a need to refer this to the planning board. Mayor O’Neal stated that would not be necessary as the property was already zoned. Councilman Ebron made the motion to research the right-of-way information legally and with the surveyors and to bring back the information. Councilman Carawan clarified that the information would be brought back at the next Council meeting (September 11, 2006). Councilwoman Heath seconded the motion which carried unanimously.

Citizen Request to Purchase Tarkington Property beside the Municipal Building

Mayor O’Neal stated that Mr. Kelvin Baker of 358 Pamlico Street, had expressed an interest in purchasing the Town owned property (former Tarkington Station) located on Pamlico Street behind the Municipal Building. Mayor O’Neal recognized Mr. Baker who stated that his interest in purchasing the property was to expand his yard. Councilman Baker stated that the library board members had expressed an interest to purchase the same property earlier. Councilman Baker questioned Town Manager Johnson if the

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

property should be sold. Mayor O’Neal informed Councilman Baker that decision as to sell the property or not was a town council issue. Councilman Ebron stated that the town was not interested in selling the property in question, at this time, but would consider Mr. Baker’s offer should the need arise in the future.

Local Government Commission Letters Concerning Budgetary Practices

Mayor O’Neal stated that the Town had received two distinct letters from the North Carolina Department of Treasury, Local Government Commission (LGC) section. Mayor O’Neal stated that he would like to open the floor for Council comment. Councilwoman Heath stated that the notice from the LGC “was not a big issue” as presented and felt that the items of concern were being rectified after town administration had met with LGC following that letter of July 12. Mayor O’Neal stated that he had given out copies of that letter to most of the public in attendance and read portions of that letter. Mayor O’Neal stated that revenues were being overstated and that budget was \$1.9 million not \$2.5 as was adopted in the budget ordinance. Mayor O’Neal read excerpts from the July 12, 2006 LGC letter to the Town. Mayor O’Neal stated that 25% of the budget was not audited and that since 1994, \$4.7 million had been transferred to the General Fund. Mayor O’Neal stated that at the September 11, 2006 meeting he will give a presentation that will show problems and show why the utility bills are in the position they are in currently. Mayor O’Neal read the memorandum from Town Manager Johnson to the Council for tonight’s meeting.

Belhaven Town Council Meeting

Monday, August 14, 2006

Agenda Item IX

Re: Local Government Commission Letters concerning Budgetary Practices

Memorandum:

This item is placed on the agenda to inform the elected officials and the public as to what has transpired to this point. Mayor O’Neal and Councilman Carawan have stated publicly that these are “major problems” and I on the other hand have repeatedly said that these issues are “minor” in nature and involve no changes whatsoever in monetary form but only in accounting procedures utilized. In fact, the Town would probably never have heard from the Local Government Commission on these issues had not the two elected officials gone to Raleigh and brought their “concerns” that something was amiss. To this point I am unaware of any other municipality receiving correspondence on this issue despite the fact that this accounting procedure is utilized in many municipalities and in our case was recommended as the best method by our own auditors. No one with any real knowledge of the issues would even attempt to state that any effect on actual revenues and expenditures result from the accounting methods used by the Town of Belhaven and in no way whatsoever has any money been misspent or misappropriated. The Town has agreed to show greater detail and justify the

Belhaven Town Council Meeting
Minutes – August 14, 2006

numbers to remove “confusion” with the elected officials. In no way do any of these changes affect the revenue stream or expenditures of the Town.

It is my opinion (and that of many others who have reviewed this item) that the Mayor and Councilman Carawan have intentionally tried to mislead the public on the matter for “political” reasons with the hope of making the Town look bad. In reality the issue only caused an excessive workload on staff and consultants that resulted in a loss of productivity and additional costs to the citizens of Belhaven for purely vindictive reasons of the two elected officials.

Attached you will find a copy of my letter to the Local Government Commission that clearly confirms what I have said in the past meetings and hopefully clears up the entire matter. I am requesting approval of a couple of budget amendments in a later agenda item to further clarify the Town’s position but note that neither amendment affects the actual revenues or true expenses to the Town and citizens.

Mayor O’Neal stated again, that the budget was wrong and not caught by the auditor. Mayor O’Neal then read the letter from Town Manager Johnson which answered the letter from Ms. Sharon Edmundson with LGC.

August 9, 2006

Mrs. Sharon Edmundson, Director
Fiscal Management Section
Local Government Commission
325 North Salisbury Street
Raleigh, NC 27603-1385

Dear Sharon:

Thank you and Dean Cunningham for meeting with myself, Finance Officer Robin Godsell, Auditor Jeff Best and mayor Pro-Tem George Ebron on July 25, 2006. I sincerely apologize for all the unwarranted disruption this item has caused your office but it was a pleasure to explain the real facts of these issues at hand.

The Town has now provided your office with detailed breakdowns concerning the charges for goods and services to our enterprise funds from the various general fund departments. As was evidenced in our presentation these charges as a percentage are very similar, or lower, to other towns and cities in North Carolina and more particularly electric provider municipalities. Due to the size of our staff it is imperative that some employees be actively involved in both general fund and enterprise fund administration. This results in those charges being assigned on a percentage basis of time expended in each fund.

The issue of accounting for cost reimbursements in a different accounting method than used in the past is not a problem for the Town and will be handled in

Belhaven Town Council Meeting
Minutes – August 14, 2006

accordance with our discussions. All parties involved in these discussions (Town Staff and LGC Staff) were in total agreement that the suggested format changes do not result in any difference in real revenues and real expenditures but only in the method of accounting utilized. The Town will accomplish these changes by having the finance office adjust the 2005/2006 numbers, and by doing budget amendment for the 2006/2007 budget. These amendments will have no monetary effect on the actual budget but will keep the revenues and expenditures from being shown twice in the budget.

As for the 2006/2007 budget ordinance the Town will adopt an amendment showing greater detail of the revenues in all funds. This will not affect the actual revenues or expenditures but is done solely to show more detail.

In our meeting we also discussed several items including how and why the Town's official mailing address was changed to the Mayor's office address. While no one could explain this change the address was changed back to the correct Town address. A second issue was how the Mayor received notice from your department at least three days prior to the staff receiving notice. It was determined that this was probably due to the address change. When asked if other Municipalities had received similar letters we were told that the LGC normally did not dig this deep into the audit but looked at Belhaven because of the Mayor's visit and concern on the issue. As to Councilman Steve Carawan's comment in a Council Meeting that he was told by the LGC that this was a "serious, serious, serious problem and that charges may be forthcoming" neither you nor Dean remembered any conversation where anything like that was stated. As to the possibility that money could be "missing", all parties in the meeting agreed that there was no evidence of any wrongdoing in any way and that all items of concern were about accounting procedures utilized and nothing else. There was absolutely nothing to suggest that money was missing or misappropriated.

One last item discussed was the potential need to do a cost allocation study in the future to verify the costs for goods and services from the general fund to the enterprise funds. I agree this is a good idea and we will follow up on this item in the near future.

It is my sincere hope that the actions and explanations put forth resolve this matter in its' entirety but should you need further information or clarification on any item or if my recollection is different than yours, on any of the items mention, please feel free to contact me.

Thanking you again, for your time and assistance in resolving these issues, I remain,

Respectfully,

Tim M. Johnson
Town Manager

TMJ/mja

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

xc: Jeff Best, CPA – Pittard, Perry & Crone
Robin Godsell, Finance Officer
Mayor and Town Council
Town Attorney
File

Town Manager Johnson stated that he, Mayor Pro-Tem Ebron, Finance Director Robin Godsell and Jeff Best, CPA with Pittard, Perry & Crone, Inc. had a meeting with the LGC following the July 12 letter from LGC. Town Manager Johnson stated at that meeting that all concerns of LGC had been addressed to their satisfaction and that confirmation of that would be forthcoming from LGC.

Town Manager Johnson stated that the Mayor and Councilman Carawan's actions cost the town a lot of money by trying to make the town look bad. Extra expenses involved in resolving the LGC issues were employee overtime, travel expenses to Raleigh and the auditors' time. Mayor O'Neal stated that the auditor should not charge for his time as the overstating of the budget and other accounting procedures used by the town should have been discovered in the audits. During this discussion, there were some comments from members of the public in which Mayor O'Neal banged the gavel and asked for order. Mayor O'Neal called on Mr. Bob Holz and asked him to refrain from comments as his type of interruption would not be tolerated.

Budget Amendments for 2006/2007

Mayor O'Neal stated that budget amendment #1 was necessary for duplication of paper charges from the enterprise funds to the general fund. Town Manager Johnson further explained that this method of accounting was utilized for a paper trail at the suggestion of town auditors and results in no "actual" changes to real revenues or real expenditures and will result in no effect to the public or what they pay in taxes, fees, etc. Councilwoman Heath made the motion to approve the following budget amendment. Councilman Baker seconded the motion which carried unanimously.

BUDGET AMENDMENT #1 FY 06/07

MEMORANDUM:

A BUDGET AMENDMENT IS NEEDED TO ALLOCATE THE ADMINISTRATIVE COST PROVIDED BY THE GENERAL FUND TO THE ENTERPRISE FUNDS BY RECORDING THE ACCOUNTING JOURNAL ENTRIES AS A REDUCTION IN GENERAL FUND EXPENDITURES INSTEAD OF REVENUE IN THE GENERAL FUND. THE EXPENDITURES REMAIN THE SAME IN THE ENTERPRISE FUNDS, BUT THE LINE ITEM WILL BE LABELED "ADMINISTRATIVE COST FOR SERVICES" INSTEAD OF "PAYMENT FOR GOODS & SERVICES".

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

RECOMMENDATION:

DECREASE REVENUE ACCOUNT #10-391-030 (CHARGE FOR GOODS & SERVICES) BY \$97,507

FROM \$97,507 TO \$0

DECREASE REVENUE ACCOUNT #10-391-031 (CHARGE FOR GOODS & SERVICES) BY \$493,430

FROM \$493,430 TO \$0

TOTAL DECREASE IN REVENUE \$590,937

DECREASE THE FOLLOWING EXPENDITURE ACCOUNTS

GL ACCT #	DESCRIPTION	FROM	TO	DIFFERENCE
10-410-001	SALARIES - MAYOR & BOARD	5,700	4,686	-1,014
10-410-005	FICA TAX EXPENSE	575	473	-102
10-410-014	TRAVEL	800	658	-142
10-410-018	ELECTIONS	2,000	1,644	-356
10-410-053	DUES & SUBSCRIPTIONS	350	288	-62
10-410-057	MISCELLANEOUS EXPENSE	3,500	2,876	-624
10-420-002	SALARIES & WAGES	147,095	38,392	-108,703
10-420-004	PROFESSIONAL SERVICES	12,000	3,132	-8,868
10-420-005	FICA TAX EXPENSE	11,253	2,937	-8,316
10-420-006	GROUP INSURANCE EXPENSE	23,022	6,009	-17,013
10-420-007	RETIREMENT EXPENSE	7,060	1,843	-5,217
10-420-008	401 K CONTRIBUTION	2,942	768	-2,174
10-420-011	TELEPHONE & TELEGRAPH	4,000	1,044	-2,956
10-420-014	TRAVEL	2,850	743	-2,107
10-420-016	MAINT & REPAIR-EQUIPMENT	600	157	-443
GL ACCT#	DESCRIPTION	FROM	TO	DIFFERENCE
10-420-017	MAINT & REPAIR - VEHICLES	200	52	-148
10-420-022	CHRISTMAS DECORATIONS	2,000	522	-1,478
10-420-023	CHRISTMAS PARTY	1,700	444	-1,256
10-420-024	CHRISTMAS PARADE, ETC	1,000	261	-739
10-420-026	ADVERTISING	1,000	261	-739
10-420-031	AUTOMOTIVE SUPPLIES	500	130	-370
10-420-032	OFFICE SUPPLIES	2,850	743	-2,107
10-420-053	DUES & SUBSCRIPTIONS	2,600	679	-1,921
10-420-057	MISCELLANEOUS EXPENSE	3,000	783	-2,217
10-420-074	CAPITAL OUTLAY - EQUIPMENT	5,000	1,305	-3,695

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

10-440-002	SALARIES & WAGES	124,506	32,497	-92,009
10-440-003	PROF SERVICES-AUDIT	14,000	3,654	-10,346
10-440-004	PROFESSIONAL SERVICES	8,000	2,088	-5,912
10-440-005	FICA TAX EXPENSE	9,525	2,486	-7,039
10-440-006	GROUP INSURANCE EXPENSE	21,900	5,716	-16,184
10-440-007	RETIREMENT EXPENSE	5,980	1,561	-4,419
10-440-008	401 K CONTRIBUTION	2,490	649	-1,841
10-440-011	TELEPHONE	700	183	-517
10-440-012	POSTAGE	4,800	1,253	-3,547
10-440-013	UTILITIES	6,000	1,566	-4,434
10-440-014	TRAVEL & SCHOOLS	500	130	-370
10-440-016	MAINT & REPAIR -EQUIPMENT	2,600	679	-1,921
10-440-032	OFFICE SUPPLIES	5,500	1,435	-4,065
10-440-037	NC SALES TAX	11,000	2,871	-8,129
10-440-039	COUNTY SALES TAX	6,160	1,608	-4,552
10-440-045	FEES FOR TAX COLLECTION	8,600	2,245	-6,355
10-440-048	PURCHASE FOR RESALE	300	78	-222
10-440-053	DUES & SUBSCRIPTIONS & PERMITS	200	52	-148
10-440-054	INSURANCE & BONDS	180,000	46,980	-133,020
10-440-057	MISCELLANEOUS EXPENSE	500	130	-370
10-440-074	CAPITAL OUTLAY-EQUIPMENT	60,000	15,660	-44,340
10-440-087	DESIGNATED CABLE CH 4	3,782	987	-2,795
10-470-004	RETAINAGE	2,400	2156	-244
10-470-014	TRAVEL	800	718	-82
10-470-057	MISC LEGAL EXPENSE	12,000	10776	-1,224
10-495-002	PLANNING 1	20,000	10,000	-10,000
10-495-045	SITE REMEDIATION-STATE PYMT	5,000	2,500	-2,500
10-495-074	ORDINANCE REWRITE	12,000	6,000	-6,000
10-495-076	LAND USE PLAN UPDATE	1,200	600	-600
10-495-079	Wynne Gut Drainage Project	10,000	5,000	-5,000
10-500-002	SALARIES & WAGES	48,685	43820	-4,865
10-500-003	SALARIES & WAGES O.T.	500	450	-50
10-500-005	FICA TAX EXPENSE	3,765	3389	-376
10-500-006	GROUP INSURANCE	10,926	9834	-1,092
10-500-007	RETIREMENT EXPENSE	2,361	2125	-236
10-500-008	401K CONTRIBUTIONS	983	885	-98
10-500-013	UTILITIES-ELECTRICITY	33,000	29700	-3,300
10-500-014	TRAVEL & SCHOOLS	100	90	-10
10-500-015	MAINT & REPAIR-BLDG & GROUNDS	18,000	16200	-1,800
10-500-016	MAINT & REPAIR OF EQUIP	200	180	-20
10-500-017	MAINT & REPAIR-VEHICLES	800	720	-80
10-500-018	FUEL	6,200	5580	-620
10-500-031	AUTOMOTIVE SUPPLIES	1,200	1080	-120
GL ACCT#	DESCRIPTION	FROM	TO	DIFFERENCE
10-500-033	DEPT SUPPLIES & MATERIAL	6,800	6120	-680
10-500-036	UNIFORMS	400	360	-40
10-500-057	MISCELLANEOUS EXPENSE	200	180	-20

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

10-500-072	CAPITAL OUTLAY-BUILDINGS	4,000	3600	-400
10-500-073	CAPITAL OUTLAY-OTHER IMPS	4,000	3600	-400
10-505-002	SALARIES & WAGES	28,700	17937	-10,763
10-505-003	SALARIES & WAGES O.T.	150	94	-56
10-505-005	FICA TAX EXPENSE	2,195	1372	-823
10-505-006	GROUP INSURANCE EXPENSE	5,463	3414	-2,049
10-505-007	RETIREMENT EXPENSE	1,385	866	-519
10-505-008	401K CONTRIBUTION	577	361	-216
10-505-016	MAINT & REPAIR-EQUIPMENT	1,400	875	-525
10-505-017	MAINT & REPAIR-VEHICLES	250	156	-94
10-505-031	AUTOMOTIVE SUPPLIES	1,600	1000	-600
10-505-033	DEPT SUPPLIES & MATERIALS	1,800	1125	-675
10-505-036	UNIFORMS	350	219	-131
10-540-002	SALARIES & WAGES	54,750	49166	-5,584
10-540-005	FICA TAX EXPENSE	4,190	3763	-427
10-540-006	GROUP INSURANCE EXPENSE	5,465	4907	-558
10-540-007	RETIREMENT EXPENSE	2,630	2362	-268
10-540-008	401K CONTRIBUTION	1,095	984	-111
10-540-011	TELEPHONE	700	628	-72
10-540-012	POSTAGE	200	179	-21
10-540-014	TRAVEL & SCHOOLS	1,300	1168	-132
10-540-016	MAINT & REPAIR-EQUIPMENT	100	90	-10
10-540-017	MAINT & REPAIR-VEHICLE	200	179	-21
10-540-026	ADVERTISING	500	449	-51
10-540-031	AUTOMOTIVE SUPPLIES	250	224	-26
10-540-033	DEPARTMENTAL SUPPLIES	700	628	-72
10-540-045	LOT MOWING	1,800	1617	-183
10-540-046	HOUSING DEMOLITIONS	16,000	14368	-1,632
10-540-047	JUNK VEHICLE	1,000	898	-102
10-540-053	DUES & SUBSCRIPTIONS	200	179	-21
10-540-054	HOMEOWNERS RECOVERY FEE	150	135	-15
10-540-057	MISCELLANEOUS EXPENSE	200	179	-21
		1,061,460	470,523	-590,937

TOTAL DECREASE IN EXPENDITURES \$590,537

Mayor O’Neal stated that Budget Amendment #2 was needed to appropriate the \$1,500 appropriation to the US Highway 17 Association that was approved at the last Council meeting. Councilman Ebron made the motion to adopt the following budget amendment. Councilwoman Heath seconded the motion which carried unanimously.

Budget Amendment #2

Increase revenue account 10-399-000 (Fund Balance Appropriated) by \$1,500 from \$377,685 to \$379,185. Increase expenditure account 10-690-088 (US Hwy 17 Association) by \$1,500 from \$0 to \$1,500.

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

Budget Ordinance Amendment for 2006/2007 Fiscal Year

Mayor O’Neal stated the Budget Ordinance Amendment was needed to provide grater detail of the budget breakdowns in regards to where various revenue streams are generated. Councilwoman Heath made the motion to adopt the budget ordinance amendment. Councilman Baker seconded the motion which carried unanimously.

TOWN OF BELHAVEN, NORTH CAROLINA

AMENDED BUDGET ORDINANCE FOR FISCAL YEAR 2006-2007

BE IT ORDAINED by the Governing Board of the Town of Belhaven, North Carolina:

Summary

General Fund:	\$ 2,519,645
Water & Sewer Fund:	\$ 1,004,696
Electric Fund:	\$ 2,920,425
Cemetery Fund:	\$ <u>5,700</u>
Total:	\$ 6,450,466

Section 1: The following amounts are hereby appropriated in the General Fund for the operation of the Town of Belhaven government and its activities for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Governing Body	12,925
Administration	230,672
Finance	477,043
Legal	15,200
Economic & Physical Development	48,200
Public Buildings	142,120
Garage	43,870
Police	639,695
Fire & Rescue	113,425
Inspections	91,430
Public Works	65,316
Streets	242,696
Powell Bill	113,153
Sanitation	140,000
Recreation	90,016
Special Appropriations	<u>53,884</u>
Total General Fund Appropriations	2,519,645

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Ad Valorem Taxes	390,000
Penalties & Interest	12,000
Other taxes & Licenses	73,300
Unrestricted Intergovernmental	518,508
Restricted Intergovernmental	78,000
Permits & Fees	6,500
Sales & Services	845,649

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

Investment Earnings	50,000
Miscellaneous	6,650
Transfer from Electric Fund	121,200
Fund Balance Appropriated	377,685
Fund Balance Appropriated-Powell Bill	<u>40,153</u>
Total General Fund Revenues	2,519,645

Section 3. The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Water & Sewer Operations	687,775
Other Operating Expenses	3,050
Capital Outlay	25,000
Debt Service	<u>288,871</u>
Total Water & Sewer Appropriations	1,004,696

Section 4. It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Water Charges	405,200
Sewer Charges	474,100
Interest Earnings	17,200
Miscellaneous	2,900
Taps & Impact Fees	9,600
Penalties	12,500
Fund Balance Appropriated	<u>83,196</u>
Total Water & Sewer Fund Revenues	1,004,696

Section 5. The following amounts are hereby appropriated in the Electric Fund for the operation of the electric utility for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Electric Operations	852,444
Other Operating Expenses	7,885
Purchases for Resale-Electric	1,908,296
Capital Outlay	23,500
Transfer to General Fund	121,200
Transfer to Rate Stabilization	<u>7,100</u>
Total Electric Fund Appropriations	2,920,425

Section 6. It is estimated that the following revenue will be available in the Electric Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Electric Charges	2,797,577
Interest Earnings	32,000
Miscellaneous	33,200
Penalties	27,500
Fund Balance Appropriated	<u>30,148</u>

**Belhaven Town Council Meeting
Minutes – August 14, 2006**

Total Electric Fund Revenues **2,920,425**

Section 7. The following amounts are hereby appropriated in the Cemetery Fund for the operation of the cemetery for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Supplies	250
Miscellaneous	900
Payment in lieu of tax & service	<u>4,550</u>
Total Cemetery Fund Appropriations	5,700

Section 8. It is estimated that the following revenues will be available in the Cemetery Fund for the fiscal year beginning July 1, 2006, and ending June 30, 2007:

Interest Earnings	300
Sales and Maintenance	3,800
Fund Balance Appropriated	<u>1,600</u>
Total Cemetery Fund Revenues	5,700

Section 9. There is hereby levied a tax at the rate of fifty-two cents (\$0.52) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2006, for the purpose of raising the revenue from current taxes as set forth in the foregoing estimates, and in order to finance the foregoing appropriations. This rate is based on an estimated total assessed valuation of property for the purposes of taxation of \$78,061,524.

Section 10. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He/she may transfer amounts between line item expenditures within a department without limitation and without a report being required. These changes should not result in increased in recurring obligations such as salaries.
- b. He/she may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

Section 11. Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 14th day of August, 2006,

Adam W. O’Neal, Mayor

Attest:

Marie J. Adams, Town Clerk

Adoption of Council Guidelines

Mayor O’Neal stated that Town Manager Johnson was suggesting the following guidelines. **A) Privilege License Signatures** – Mayor O’Neal stated that Town Clerk

Belhaven Town Council Meeting
Minutes – August 14, 2006

Adams was signing his name to privilege license and he had not given her or anyone else permission to sign his name. Mayor O’Neal stated that it was requested that the Town Clerk or Designee be designated to sign the privilege license. Mayor O’Neal also stated that Town Clerk Adams had signed his name to a “liquor license” without permission. Town Clerk Adams stated that she had not signed the Mayor’s name to any other item and would like to see the “liquor license” in question. Following some additional discussion, Councilman Ebron made the motion that the Town Clerk or his/her designee be the party responsible for officially signing the privilege licenses. Councilwoman Heath seconded the motion which carried unanimously.

B) Official Signatures on Minutes – Mayor O’Neal stated that he refused to sign the minutes of the Town Council because he feels that the contents of the minutes are materially wrong and misleading. Mayor O’Neal stated that he had contacted his attorney and was told he did not have to sign the minutes unless the ordinances stated so. Councilwoman Heath stated that Town Clerk Adams was doing her job as clerk keeping the minutes of the Town Council meetings and that the Mayor and Council needed to work together as a team and that she was tired of the negative comments made to the public and the lack of communication. Councilwoman Heath stated that she was upset that the auditor, Mr. Jeff Best was harassed during the meeting earlier tonight. Mayor O’Neal stated that the auditor had made the mistakes and should not charge the town for his services when he met with the LGC. Mayor O’Neal then called Mr. Bob Holz, who was in the audience (making comments) down and told him not to disrupt the meeting or make any more outbursts.

C) All Town Correspondence from elected officials copied to Town Administration for proper filing according to the Department of Archives, Records and Retention Laws. Mayor O’Neal and Councilman Carawan questioned if copies were needed. Attorney Mason stated that in his opinion, and without further research, that any letter written in any official capacity as Mayor or Council member should be copied to Town Administration. Following additional discussion, Councilman Ebron made the motion that the Mayor and Council copy Town Administration with any correspondence written or received by them in their official elected capacity for the town. Councilwoman Heath seconded the motion. Councilman Baker also voted in favor of the motion. Councilman Carawan voted against the motion. The motion carried 3 to 1.

D) Elected Officials Expenditures of Town Funds – the town council needs to approve a motion that any expenditure of town funds by any elected official be pre-approved by the Town Council or town manager. Town Manager Johnson stated that Mayor O’Neal had met with Town Attorney Mason and Mr. Jeff Best, CPA with Pittard, Perry & Crone, Inc. Town Manager Johnson explained that these individuals were professionals and that they charge for their time. Mayor O’Neal stated that until utility bills are reduced he will pay for any expenses which he incurs for the town. Mayor O’Neal stated all the items in which he has paid for including the copies which exceeded \$300 for financial documents from the finance department. Mayor O’Neal also stated that the auditor and Town Manager should not charge for the trip to Raleigh to meet with the LGC as the auditor should have found those discrepancies. Following additional discussion,

Belhaven Town Council Meeting
Minutes – August 14, 2006

Councilman Ebron made the motion that expenditures from the Mayor or Council be pre-approved by the town council or town manager. Councilman Baker seconded the motion which carried unanimously.

Mayor's Agenda Items

Mayor O'Neal stated that the following were items that he requested be placed on the agenda and once again these items were listed last on the agenda. A) Hurricane Disaster Plan – Town Manager Johnson stated that the Emergency Operations Manual was included for review. Mayor O'Neal stated that he would like to be informed of evacuation plans, etc. Town Manager Johnson informed the Council that Belhaven Cable Television is supposed to provide override capabilities in case of emergencies and that those capabilities were not yet available.

- B) **Vacant Council Seat** - Councilman Carawan stated that Mr. Mac Pigott had submitted a letter to him stating his interest to be placed in the vacant position on the east end Town Council seat. Mayor O'Neal stated that Mr. Pigott was known by many in the community and he was a successful businessman. Councilman Carawan stated that he had a petition signed by 311 residents in support of Mr. Pigott as the person to fill the east end Council seat. Town Manager Johnson stated that the petition was needed for the records. Councilman Carawan made the motion to appoint Mr. Mac Pigott to fill the vacant east end Council seat. There was no second. Councilman Ebron made the motion to table the vacancy issue. Councilman Baker seconded the motion. Councilwoman Heath voted in favor of the motion. Councilman Carawan voted against the motion the motion carried 4 to 1. The petition was not given to Town Clerk Adams to include in the minutes.

- C) **Crimestoppers Report** – Mayor O'Neal stated that Chief Hayden had previously talked with the Council about Crime Watch and had never given an update. Town Manager Johnson stated that Crimestoppers is a Beaufort County sponsored program.

Citizens Comments/Miscellaneous

Mayor O'Neal recognized Ms. Linda Wilkerson, resident of 783 East Main Street. Ms. Wilkerson suggested that when the Mayor recognizes people from the audience, they should state their name and physical address. During Ms. Wilkerson's suggestion, Ms. Pam O'Neal, resident of 439 Tooley Street, asked the residents of Belhaven to stand in the audience.

Mr. Billy Millican, resident of 441 East Bay Street, came from the back of the Civic Center questioning some statement Councilwoman Heath made. He stated that Councilwoman Heath had said that she was hired by the Town Manager and that she was not. Councilman Heath said she had never made that statement.

Belhaven Town Council Meeting
Minutes – August 14, 2006

Town Manager's Report

Town Manager Johnson reported briefly on the following: Departmental reports included in the packets; Army Corps of Engineers contacted him concerning funding for the feasibility study for the breakwater. Mayor O'Neal stated that he had been in contact with Senators Dole and Jones concerning the funding for this study.

Mayor O'Neal called on Mr. Bob Holz, resident of 443 Water Street, who made comments without being recognized by the Mayor, and was once again told that his behavior would not be tolerated and that he would be removed from the meeting.

Councilman Carawan questioned if the monies for the housing elevation had to be spent this fiscal year. Town Manager Johnson stated that if the homes were approved to be elevated they would be elevated.

Adjournment

There being no further business, Mayor O'Neal declared the meeting adjourned at 9:02 P.M.

Respectfully submitted,

Marie J. Adams, CMC
Town Clerk