



**LUCAMA BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, JUNE 3, 2024
LUCAMA TOWN HALL
BOARD ROOM**

MINUTES

1. Call to Order

Mayor, Matthew Creech, (hereinafter “Mayor Creech”) called to order the regular meeting of the Town of Lucama Board of Commissioners (hereinafter “Board”) at 6 pm on June 3, 2024.

2. Roll Call

Mayor Creech conducted roll call – by use of sign-in. The following were present:

Commissioner, Dennis Ford (hereinafter “Comm. Ford”)
Commissioner, David Johnson (hereinafter “Comm. D. Johnson”)
Commissioner, Jeff Johnson (hereinafter “Comm. J. Johnson”)
Commissioner, Kim Joyner (hereinafter “Comm. Joyner”)
Commissioner, Jody Teague (hereinafter “Comm. Teague”)
Interim Town Administrator, Ralph Clark (hereinafter “Admin. Clark”)
Town Clerk, Dena Owens (hereinafter “Clerk Owens”)
Town Attorney, Gabe DuSablou (hereinafter “Attorney DuSablou”)

3. Approval of Agenda

Mayor Creech asked for a motion to approve the agenda.

MOTION: Comm. Teague made motion to approve the agenda; seconded by Comm. Joyner. Motion passed by unanimous vote.

4. Public Hearing FY 24/25 Budget

Mayor Creech opened the budget public hearing for FY 24/25. Interim Admin. Clark made the budget presentation.

Admin. Clark stated that the meeting had been properly advertised as a public hearing for citizen input regarding the proposed 24/25 fiscal year budget. The budget was prepared using the revenue neutral formula for the tax rate due to the re-evaluation of properties. The current tax rate is \$.55 / \$100 valuation and the

rate used for the projected levy for the budget is .38/\$100 valuation. Any increase in the amount will generate a \$5,773 per penny increase. Other significant revenues in the budget are the electric sales, which he recommended to decrease from the current rate to a new rate per kilowatt hour for an average reduction of 20%. The rate decrease is projected to be in effect for the billing that will take place in July of 2024. Another significant revenue is the water and wastewater revenues which are projected to increase based on the results of an ongoing rate study. This study is projected to be complete in early fall and rates will be adjusted as necessary. It is anticipated that a rate increase will be necessary to meet the current needs as identified in the budget. In addition, Mr. Clark stated that it is important to remember that there are a couple of capital projects that are scheduled in the fiscal year that will require some borrowing and payment for these will most likely begin in the 25/26 fiscal year. Work will be done to identify efficiencies to help offset both increases as the current improvement work develops.

Employee actions: The budget includes additional employees in the Utilities Funds and two upgrades in the General Fund. The additions are made due to the extra workload that has been taken on by these departments along with safety concerns and the retirement of one from the departments. The upgrades in the General Fund are to take on functions that have been previously contracted out and the completion of activities that are needed but not currently being done. The employees are proposed to receive a three percent COLA beginning with the first pay period in July and a .5 percent beginning January of 2025.

Other expenses:

- A review and update to the Code of Ordinances
- The completion of two years of audit work. Because the 2023 audit was not completed as hoped, the 2023 and 2024 audits will be done in 2025 FY. Both were budgeted for.
- Professional services: It is planned to reduce this expenditure this year and mostly eliminate this expense next fiscal year. All outstanding audits should be completed, and the employees will be able to do most of the work associated as the personnel is trained.
- Police Protection: This has been left open while the Public Safety Committee reviews the needs to determine what the future needs will be and will develop a plan to accomplish them.
- Powell Bill Funds: The account is left open until it can be identified what approved expenditures are to be used for. If nothing is identified, the funds will roll over into the Powell Bill Fund Balance and used later.

Mayor Creech called the public hearing to order and asked if there were any public comments or questions.

Susan Wright questioned the elimination of outside accountants. Mr. Clark mentioned that a fair amount of the expense in the past was due to being behind on audits and the cost of bringing the books up to date. The portion of the expense is what is planned to be eliminated. Mrs. Wright mentioned that she did understand past audits but was concerned that there would be no oversight over the accounting. Comm. Ford stated that with the hiring of Admin. Clark, he will provide the oversight. Comm. Joyner stated that the CPA would still be working for the Town, but not be on hand as much as in the past.

Mick Rankin asked if the company that does the Town's contracts had come up with a plan, with a modest rise in rates of 15 percent... Comm. Ford mentioned that the increase was a water and sewer possibility, not electric. He stated that there was a 20 percent decrease in electrical rates. Mr. Rankin asked if it was because of the previous fuel adjustment charges or was it an across the board decrease in price. Admin. Clark stated that a couple of years earlier natural gas spiked, and the Town raised the rates, and they were not adjusted back down. The cost of gas seems to have leveled out. Therefore, the Town was able to reduce the rates back down to what would be considered back to normal a couple of years ago. Mr. Rankin asked if the power company had the ability to make an additional charge if the rates spike? Admin. Clark stated that the Town receives three bills for power purchase. One is from the generating plant, one from the gas supplier and the other is for the transmission, the line that brings it in. As those prices spike – there are no projections of such – but some allowance was made to have some fluctuation generally in the new rates.

Comm. J. Johnson asked if the rates would need to be reduced that low at one time. He suggested that the rate only be dropped in half to make sure everything is covered. Admin. Clark stated that there had been left enough of a cushion. He stated that a firm had done the study and had met with the Utility Committee. They felt comfortable with the allowance that was made for the gas prices. Based on the graph he showed, he gave what the projected gas prices were for the future. Comm. J. Johnson said it would be easy to drop the rates, but more difficult to raise them back up. Again, he suggested that the rates only be dropped 10 percent to make sure everything is in line. Comm. Ford stated that if the rates are not dropped and the water and sewer rates must go up, it is important that citizens see the savings somewhere. Comm. J. Johnson shared his concern with dropping the rate so much along with dropping the tax rate. Comm. Ford stated that it is all a gamble when it comes to gas prices. Comm. J. Johnson mentioned his concern with losing everything. Comm. Ford stated that with the numbers he saw, he doesn't feel there will be a problem. Comm. Joyner mentioned that prior years

were pulled - gas prices – and he made a flow chart for the committee to see how they were flowing, how they were fluctuating. She said to his point the Board could not predict the future. There will be spreadsheets that will keep up with the fluctuations, and the Board will be better informed than in the past. Admin. Clark stated that there was enough excess in the current year's budget to fund the capital projects.

Comm. D. Johnson asked about the additional hires. Comm. Joyner stated that one hire would be to replace the one who will be retiring, and one to help with the water department. He questioned the new position under the electric department. Admin. Clark stated that an additional position was being created under the electric department to help with the additional workload, and secondly finding people for the electric department are difficult to obtain. At some point Mr. Goff will retire and it is hoped that he can get someone to start filling some of the holes a few years down the road.

Comm. D. Johnson asked if Admin. Clark had given himself a raise. Comm. Joyner stated that the raise had been voted on during the previous month. Comm. D. Johnson asked had his benefits been voted on. It was stated that Admin. Clark would receive no benefits due to being a part-time employee. Comm. J. Johnson mentioned that under the proposed budget it was shown that Admin. Clark would receive benefits. Admin. Clark stated that he would receive no benefits. Mayor Creech mentioned that it had been voted on and was on the record that Admin. Clark would not receive benefits and with it being in the budget it was a clerical error.

Mayor Creech asked for additional questions from the audience and the Board. After there being none, he closed the public hearing.

In the agenda packet, Mr. Clark mentioned that the Budget Ordinance was enclosed, which is a required document that must be approved to officially adopt the 24/25 Fiscal Year Budget. It was requested that it be considered at a continued meeting on June 10, 2024. This continued meeting was requested to allow time to make budget adjustments that may come from the Public Hearing. However, if no adjustments are required or can be made on the spot, the Budget Ordinance may be adopted at any time after the Public Hearing is concluded. Admin. Clark stated that the budget could be approved, allowing the funds to stay in the line items for insurance, etc. thinking they would work themselves out, making sure to mention that he would not receive any benefits.

Mayor Creech asked for the Board decision, whether there were any changes that needed to be made to the budget and brought up at a June 10th meeting, or whether there was a motion to accept the budget was written.

Comm. J. Johnson stated that he was interested in only reducing the electric rate by 10 percent, and if interested in dropping again wait until the first of the year.

Mayor Creech asked for a motion to adopt the budget for the 24/25 fiscal year.

MOTION: Comm. Ford made a motion to adopt the FY 24/25 budget as is; seconded by Comm. Joyner. Motion passed as follows: Yea – Comm. Ford, Comm. Joyner, Comm. Teague. Nay – Comm. D. Johnson, Comm. J. Johnson.

Mayor Creech closed the meeting for the FY 24/25 budget, opening the regular Board meeting.

5. Approval of Minutes of Last Meetings

Mayor Creech gave the Board an opportunity to review the proposed minutes from the May 6, 2024, regular meeting, and the May 13, 2024, budget workshop, and monthly financial report.

Comm. D. Johnson had questions regarding checks that had been written. Clerk Owens gave answers to the questions. Comm. D. Johnson asked if one of the checks written to Willoughby Consulting was to take the place of the work done by UTEC. Admin. Clark answered yes. Comm. D. Johnson asked what the company would be doing that UTEC wasn't. Admin. Clark stated that he does not know what UTEC had done. Comm. D. Johnson mentioned that UTEC has asked a lady in the office for a report, and that she did not give the numbers requested. Admin. Clark stated that they should have already had the numbers for the reports. Again, Comm. D. Johnson mentioned that the numbers were requested but not given. Admin. Clark stated that UTEC had billed the Town and failed to deliver any products. They failed to even make any contact. Admin. Clark stated that he informed Luis Davis with UTEC that he did not need his kind of work, when you get nothing for it. Comm. Joyner stated that \$13,500 is a lot of money to spend when the Town doesn't have anything to show for it. Again, Comm. D. Johnson mentioned that the numbers were requested but not given. Clerk Owens stated that she wasn't aware of any numbers being requested until recently. Comm. J. Johnson mentioned it being around Easter that the request was given. Comm. Joyner stated that the request was after the third bill had been sent to the Town. Comm. D. Johnson asked how much the new contract per quarter was. Admin. Clark stated that he was not under contract but was paid by the hour. He stated that Mr. Willoughby had done a significant amount of work trying to get the rate study together and to produce documents that the utility committee received. He has put a lot of time in to get some order in what the Town has so that the reports that UTEC was charging us for can be done in house.

Comm. D. Johnson asked Comm. Joyner if she was on the utility committee. She concurred. He asked what report she received that the other Board members didn't. She stated that the utility committee had a meeting with the consultant (she, Comm. Ford and Admin. Clark) to go over all the information. She is sure that she can get the information from Mr. Willoughby for the rest of the Board. Comm. D. Johnson asked why all the Board was not able to meet. Admin. Clark stated that it could not be done because there would be a quorum and unless a special meeting is called the entire Board could not meet. He stated that there could be no more than two. Comm. D. Johnson asked if any voting took place during the meeting. Both Admin. Clark and Comm. Joyner said, "No." Admin. Clark stated that he would be meeting with he and Comm. J. Johnson, the Public Safety Committee, regarding an issue and their function is to help advise on a public safety issues. Comm. D. Johnson stated that if there was no vote, then there was no quorum. Admin. Clark stated that even though there was no voting, that all Board members or more than two meeting together is considered a quorum. Comm. D. Johnson asked was there any discussion during the meeting about the Tri-Towns. Comm. Joyner answered, "No." Admin. Clark stated that the meeting with Mr. Willoughby dealt only with the Town's electric rates. He stated that they did talk about the power supply agreement and the gas contract, but the meeting was all about the Town of Lucama.

Comm. Teague made mention that she would like to see a change to the May 6, 2024, minutes under number seven to include the questions and concerns that were presented to Mr. Pleninger during the meeting. The minutes were tabled for next month's meeting where the additions can be added.

Comm. D. Johnson asked what was done about the streetlights on Mobley Road. Mayor Creech stated that the Board had not come to a decision, however there had been much discussion regarding the issue by the utility committee. Comm. Ford stated that what needed to happen first was to find out what the cost is to run a streetlight. They are working with Mr. Clark to get an inventory of the Town's poles and streetlights and finding out what the cost is for the Town. The committee does not know what the streetlight costs the Town to run. Until there is an idea of what it costs, it is unknown what to bill them. He agrees that the community needs to be charged something, but just not sure what at the time. Comm. Joyner asked Attorney DuSablon if he was working on something regarding the mentioned streetlights. He said that the question had come up and he suggested at the time that there needed to be a separate rate for the lights, and that is what the committee is looking at currently. Comm. Ford stated that it was the committee's goal that there be a plan together should the same issue come up again. Comm. Joyner concurred and mentioned a new subdivision being built on Little Rock Church Road by the same builder. Comm. Teague questioned if anyone had looked into the contracts between the builder and homeowners, if there is anything

by chance covered under the contract regarding the streetlights. She stated that she had spoken with someone in another subdivision and their contracts for purchase do include information regarding streets and streetlights. She has also spoken with an engineer who stated the same. Comm. Teague mentioned that the engineer stated that if the lights were 25 feet from the center of the road that they are actually the property of the homeowner. Comm. Joyner stated that she understands the residents of the neighborhood are not interested in doing an HOA, but either you live in town or outside, they are two different things. Comm. Teague mentioned that there are not many lights out in the subdivision, that there are many houses between the lights and feels that the entire community do not benefit from the lights that are currently there, being that there are nearly 45 houses and only six streetlights. Comm. Ford stated that the committee would work further to find an answer.

MOTION: Comm. Ford made motion to approve the financial report; seconded by Comm. Joyner. Motion passed by unanimous vote.

6. Welcome of Guests

There were no guests present.

7. Public Comments

There were no public comments.

8. Old Business

Mayor Creech brought up the Prayer Policy that was presented to the Board at the last regular meeting, which was drawn up by Liberty Counsel. He asked if the Board had the opportunity to review the document, and if the document could be sent to Attorney DuSablon for his review. Comm. Teague stated that she did not see a need in sending the document for review by Attorney DuSablon. Mayor Creech asked for a motion to approve the policy.

MOTION: Comm. J. Johnson made a motion for a moment of silence at the beginning of meetings; seconded by Comm. Teague. Motion carried by unanimous vote.

9. New Items of Business

Admin. Clark mentioned that he had three items that all relate to the CDBG that has been worked on for a couple of years. The first is the Anti-Displacement and Relocation Assistance Plan, the second is an updated Equal Employment

Opportunity Policy and Plan, the third is an administrative amendment to the agreement with the UPCOG. The old agreement stated that there had to be a termination clause, although one was not one in the agreement. The new agreement was sent for approval. Admin. Clark mentioned that he did not see any problems or concerns with either of the items. They are consistent with the laws and consistent with the project and is paperwork that must be done to comply. He recommended that all three be approved under one motion.

MOTION: Comm. Teague made motion to accept and approve the three items brought to the Board for the CDBG project.

Comm. J. Johnson stated that he would like more information and to look more into the items.

Comm. Teague withdrew her motion.

MOTION: Comm. Joyner made a motion to table the items until the next month's meeting; seconded by Comm. D. Johnson. Motion passed by unanimous vote.

Comm. J. Johnson reminded the Board that the sheriff department's contract would be over at the end of the month. He mentioned that he had been speaking with someone in the County to bring back the Community Watch program. If the County does not service the program any longer he will look into it further to see what can be done. He stated that it does not matter how many law enforcement officers you have around, things will happen. He hopes to have information available at the next meeting.

10. Town Administrator's Report

Admin. Clark gave updates:

- Electric Capital Projects Program:

Powerline work pre-bid meeting is scheduled for Thursday, June 6, 2024, at 10 am in the Board Room.

Bids for the project will be received and opened on Thursday, June 20, 2024, at 10 am in the Board Room.

Pole replacement continues to progress on schedule.

Pole inventory – meeting is planned, yet to be confirmed for the kickoff of the project. Once started, the project should be completed quickly. It is

estimated that the Town has 850 total poles, but not all will have attachments.

Pole attachment agreement – Greenlight is complete and ready for billing. Spectrum is reviewing the agreement and approval is expected soon. Brightspeed is reviewing the agreement and approval is expected soon.

Once the attachment agreements are agreed upon and approved, billing will begin. It appears that the attachments will be billed in the \$5.00 to \$11.00 range. The inventory will determine who is attached to the Town's poles and for how many attachments they will be billed.

- Water and Wastewater:

AIA – A Preconstruction meeting is being scheduled over the next week. Date and time to be determined. The meeting will cover information about the line inspection portion of the grant.

Rate study – the rate study is currently underway and is expected to be completed by late summer.

Admin. Clark mentioned that he would be bringing information to the Board at the next meeting regarding tariffs. It will define the services that the Town gives to customers and in the category what the Town's responsibilities are. It identifies why customers are within a specific category for electric rates and what determines the rate service or structure a customer is placed.

11. **Adjournment**

Mayor Creech adjourned the meeting at approximately 6:47 pm, June 3, 2024, upon motion of Board.

MOTION: Motion was made to adjourn by Comm. Teague; seconded by Comm. Joyner. Motion passed by unanimous vote.

Respectfully Submitted: Dena Owens, Town Clerk