

Town of Mineral Springs  
Town Hall  
3506 S. Potter Road  
Town Council  
Public Hearings / Regular Meeting  
April 12, 2018 ~ 7:30 PM

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*Minutes*

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The Town Council of the Town of Mineral Springs, North Carolina, met in Public Hearings and Regular Session at the Mineral Springs Town Hall, Mineral Springs, North Carolina, at 7:30 p.m. on Thursday, April 12, 2018.

**Present:** Mayor Frederick Becker III, Councilwoman Valerie Coffey, Councilman Jerry Countryman, Councilwoman Janet Critz, Councilwoman Lundeen Cureton, Attorney Bobby Griffin and Deputy Town Clerk/Tax Collector Janet Ridings.

**Absent:** Mayor Pro Tem Bettylyn Krafft, Councilwoman Peggy Neill and Town Clerk/Zoning Administrator Vicky Brooks.

**Visitors:** None.

With a quorum present Mayor Frederick Becker called the Regular Town Council Meeting of April 12, 2018 to order at 7:32 p.m.

1. **Opening**

- Councilwoman Cureton delivered the invocation.
- Pledge of Allegiance.

2. **Public Hearing - Proposed Rezoning of Tax Parcel #05-084-041**

- Mayor Becker stated the next order of business was a public hearing, which has been advertised, it is in the agenda packet, it's been posted, the entrance to the property was posted and Ms. Brooks has certified all of that. This is simply to rezone parcel #05-084-041. Since it was in the county and it is now in Mineral Springs, the town had 60 days to place the initial zoning on that property. Mayor Becker explained that everybody felt, and the planning board agreed (as you can see from Ms. Brooks' memo) that the best zoning for that property would be to change it from RA40 (Union County) to RA40 (Mineral Springs). They are very similar zoning districts in terms of lot sizes and it abuts RA40 on all sides, so Mayor Becker believed that the recommendation from the planning board and the staff was to zone the property from county RA40 to Mineral Springs RA40.
- Mayor Becker opened the Proposed Rezoning of Tax Parcel #05-084-041 Public Hearing at 7:34 p.m.
- There were no comments.
- Mayor Becker closed the Proposed Rezoning of Tax Parcel #05-084-041 Public Hearing at 7:35 p.m.

3. **Consideration of the Proposed Rezoning of Tax Parcel #05-084-041 from RA40 (County) to RA40 (municipal)**

- Councilwoman Coffey stated she didn't have any questions and recommended that the council go ahead and make a motion to change this from the county to municipal zoning; it's a matter of formality and it must be done.
- **Councilwoman Coffey made a motion in reference to the proposed rezoning of tax parcel #05-084-041 from RA40 (county) to RA40 (municipal). The Town of Mineral Springs Town Council hereby declares that the proposed rezoning of tax parcel #05-084-041 is consistent with the Mineral Springs Land Use Plan and the Vision Plan contained therein as adopted by the town council on October 12, 2006. The current zoning of the newly annexed property is RA40 in Union County, the adjoining properties are zoned RA40, and the North Carolina General Statute 160A-360(f) requires a newly annexed property to be zoned by the municipality within 60 days of the adoption of the annexation ordinance or it will not have any zoning applied to it. Adopted this 12<sup>th</sup> day of April 2018. Mayor Becker stated there was a motion to approve the consistency statement and asked Attorney Griffin if that also will be to adopt the rezoning as a single motion. Mayor Becker then stated "okay, we have a motion by Councilwoman Coffey to approve that consistency statement and to adopt the rezoning". Councilwoman Cureton seconded the aforementioned motion by Councilwoman Coffey. The motion passed unanimously as follows:**

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

4. **Public Hearing – Proposed Text Amendments to the Subdivision Ordinance**

- Mayor Becker explained the next public hearing was a very simple text amendment and he would be careful saying that; the word "simple" text amendment is not necessarily...that might be a dangerous thing to say because a text amendment could be one word, but it affects a lot of properties unlike a map amendment that might only affect one property. A text amendment is wide reaching. Mayor Becker explained that he was a little bit involved with the zoning administrator/planning director before it went to the planning board; this was a staff-initiated text amendment.
- Mayor Becker opened the Proposed Text Amendment Public Hearing at 7:38 p.m.
- Mayor Becker stated he would give the staff report in lieu of Ms. Brooks. It came to Ms. Brooks' attention there were some properties in Mineral Springs where they are clearly applicable. They have lots of road frontage and they are relatively shallow, so they could have a subdivision done of 10 lots where no streets are required, they all have road frontage and it really could be done as an administrative (in the case of three lots) or a minor subdivision (in the case of ten lots) and it makes it a lot simpler administratively to do that. One thing that was arbitrarily setting aside administrative and minor subdivision from major was it couldn't be a minor subdivision if there were any kind of utility easements involved, whether that be a septic drain line easement or even an electric easement; those are very common here as long as they are recorded as part of the subdivision process. Mayor Becker mentioned that he thought Ms. Brooks discussed this with Attorney Griffin early on. In some cases it was odd to see this requirement in the

ordinance, so Ms. Brooks put together the proposal, in fact there was one [subdivision] that was being considered and whether or not it needs septic easements hasn't been determined yet, but it was a concern that it might introduce unnecessary complexity, because nothing else would change and so this was presented to the planning board by Ms. Brooks to add to the text "no rights-of-way are dedicated, no easements are dedicated", adding "other than utility easements" in both administrative and minor subdivision; therefore they could still qualify for that less long-winded subdivision process if the only easements being dedicated were utility easements. They aren't doing road easements, they aren't doing any other stuff that's listed in here.

- There were no public hearing comments.
- Mayor Becker closed the Proposed Text Amendments Public Hearing at 7:41 p.m.

5. **Consideration of the Proposed Text Amendments to Article 1 – Section 111 & 112 of the Mineral Springs Zoning Ordinance**

- *Councilwoman Critz made a motion to adopt the Subdivision Ordinance Article 1 Section 111 & 112 in reference to the proposed text amendments in Article 1 Section 111 & 112 of Mineral Springs Subdivision Ordinance. The Town of Mineral Springs Town Council hereby declares that the proposed text amendments are "consistent" with the Mineral Springs Land Use Plan and the Vision Plan contained therein as adopted by the Town Council on October 12, 2006. These amendments allow utility easements to be exempt from the restriction of "no rights-of-way are dedicated, no easements are dedicated" under an Administrative subdivision or a Minor Subdivision and the "action" under "Community Image" of the Town's Land Use Plan is to establish a system for periodic review of Town ordinances to be sure that they are as up-to-date and effective as possible. ADOPTED this the 12<sup>th</sup> day of April 2018 and Councilman Countryman seconded. The motion passed unanimously as follows:*

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

- The text amendments are as follows:

**Section 111. "Administrative Subdivision" Defined**

An administrative subdivision is defined as a subdivision where:

- No public or private streets are proposed or necessary, and
- No rights-of-way are dedicated, no easements are dedicated, other than utility easements, and
- The parcel of land is not within an existing major subdivision or a part thereof, and
- Where three (3) or fewer lots are created after the subdivision is completed, and
- Where no public water or sewer systems are proposed

**Section 112. "Minor Subdivision" Defined**

A minor subdivision is defined as a subdivision where:

- No public or private streets are proposed or necessary, and
- No rights-of-way are dedicated, no easements are dedicated, other than utility easements, and

- The parcel of land is not within an existing major subdivision or a part thereof, and
- Where four (4) to ten (10) lots are created after the subdivision is completed, and
- Where no public water or sewer systems are proposed

6. **Public Comments**

- There were no public comments.

7. **Consent Agenda**

- ***Councilwoman Coffey made a motion to approve the consent agenda as presented containing the following:***

*A. March 8, 2018 Regular Meeting Minutes*

*B. February 2018 Tax Collector's Report*

*C. February 2018 Finance Report*

***and Councilwoman Critz seconded. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

8 **2018-2019 Budget – Proposed Departmental Appropriations**

- Mayor Becker explained this was the initial proposed departmental appropriations, which is the first step in the budget preparation process. Mayor Becker stated his memo was pretty self-explanatory. The appropriation levels in this budget are very similar to the previous year; however, there is one big highlight to mention, because it is a potential project. It is under planning and it goes back to what Attorney Griffin said when Ms. Brooks brought up making contacts for requests for proposals to begin drafting a new Unified Development Ordinance, which is really necessary Mayor Becker thought, Attorney Griffin said, "that's what we do is zoning and planning", that's our major service, we really ought to do the best we can. With other stuff going on, Ms. Brooks is not there yet, but Mayor Becker suspects it was going to be an 18 to 24-month process once we had somebody designated. Mayor Becker believed in the next fiscal year we might be spending half the money, so he added a \$15,000 line item for part of the planning under the "zoning ordinance and planning board" (the second line) to go toward the first half of that effort, because we will probably be at that point sometime during the fiscal year.
- Mayor Becker didn't believe anything else was huge, because we made that charitable donation change last year. We are keeping Artists Music Guild in as a service under special projects. Mayor Becker asked the council if anything needed to be eliminated or added to. We have put that 3% salaried official increase that the council has always approved, the council just needs to say "aye or nay" on that, same with the hourly rate for the hourly employee, which is to approve those compensation changes or come up with different ones.
- The council should come up with any changes in this proposal and advise Mayor Becker of anything else they want to add to it and he will put together a budget for the council for next month based on what they tell him today.
- Councilwoman Coffey asked about number four (planning/code enforcement), which says "we anticipate reinstating". Mayor Becker responded yes, we really do

expect to have it reinstated. Councilwoman Coffey commented she can't see that, maybe Mayor Becker knows something she doesn't, but she can't see that happening that quickly, but if it does she thought it should be visited at that time. Councilwoman Coffey didn't see putting a line item in there for that when there isn't anything to enforce. Mayor Becker agreed that was true and commented the council could do a budget amendment if they had to and he will not include anything for enforcement at this time. Councilwoman Coffey stated that was what she was seeing, she didn't see that, but that's just her opinion. Councilwoman Critz agree, she didn't think we were anywhere close. Mayor Becker commented he wanted to get moving on it, because it's really very simple he thought. Councilwoman Coffey stated there is nothing that simple. Councilwoman Critz offered there are options, but she just didn't know if there..... Mayor Becker interjected if the council didn't want to budget for code enforcement they don't need to. Clearly, we can make a budget amendment to appropriate funds for it if we have the nuisance ordinance done.

- ***Councilwoman Coffey made a motion to eliminate the line item for code enforcement and Councilwoman Critz seconded. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

- Mayor Becker stated he would leave that out of the budget for now. Councilwoman Critz asked if a motion was also being made to accept the budget with that amendment change. Councilwoman Coffey responded that works for her; we will make a separate motion.
- Mayor Becker asked if everything else looks good in terms of the departmental appropriations and if the council was approving the compensation numbers, which is 3% for hourly and for salary.
- ***Councilwoman Coffey made a motion that we do agree to the 3% salary increase as we have historically done for salary and hourly. Councilwoman Cureton asked if she would be out of order to ask for a raise for the town council members; "is this the time to do it"? Mayor Becker responded it would be the time to do it after they finish this motion. Councilwoman Critz seconded the aforementioned motion by Councilwoman Coffey. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

- Mayor Becker stated he would work on that 3% level and referred to Councilwoman Cureton being interested in council salary; it is presently at \$100 per month. It is open to the council, because it is strictly the council's jurisdiction. Councilwoman Cureton explained since the town has been in existence (18 years), she thought they ought to get a raise. Councilwoman Critz mentioned they have had only one. Councilwoman Cureton stated, "we never had a raise". Councilwoman Coffey agreed. Councilwoman Critz stated it used to be \$50. Councilwoman Coffey responded that was before her time. Mayor Becker agreed

it was very early on. Councilwoman Critz asked Ms. Ridings if she was aware of any other; we certainly wouldn't want to compare it to the salary that the Waxhaw council gets, although that would be lovely, "let's don't do that". Ms. Ridings responded she had no idea. Mayor Becker commented he thought towns like Marvin is as low as \$100 a month, even some of the smaller jurisdictions that have two town meetings a month, but Mayor Becker believed \$100 was on the low side even for the smallest towns. Councilwoman Cureton agreed. Councilwoman Critz asked Councilwoman Cureton if she would like to see it go up to \$150. Councilwoman Cureton responded, "anything is better than \$100." Councilwoman Coffey commented it had to be an incremental increase, "you can't just make a jump", she was not for an increase, but she was not going to vote against, because they have been saying it has been 18 years with no increase. It doesn't matter to Councilwoman Coffey personally, that is just what she wants to do, she doesn't want to see our town go to shreds and a run for council seats for \$50. Councilwoman Cureton responded she didn't think the town was going to shreds for \$50. Councilwoman Coffey clarified she meant a run on seats, people just get excited and think somebody is making money, just like ..... making \$60,000 a year and everybody wants to be the mayor. Councilwoman Cureton responded she didn't want to be the mayor, but she thought the council deserves a raise, at least she does, she doesn't know about anybody else.

- **Councilwoman Cureton made a motion to get a raise to \$150 for the next fiscal year for council members and Councilwoman Critz seconded.** Councilwoman Coffey noted that Councilman Countryman hasn't said a word. Mayor Becker asked if Councilman Countryman had any further discussion and stated he believed our council is not in this for the money whether it was \$100 or \$150, they were not in it for the money. Councilwoman Critz commented there have been years that they spent more time and energy and probably lost money. Mayor Becker responded sometimes it's easy and then sometimes your workload gets very big; it's a public service. Mayor Becker respects this council so much that he will put his finance officer hat on and state that he doesn't see a budgetary impediment to it being \$150 or even in terms of comparable to other municipalities. The town can afford it without making a big dent. It becomes a political decision. Councilman Countryman commented there's two sides to every coin and the comment that Councilwoman Coffey made is really appropriate, cause there are people out there that when they find out we've granted ourselves a raise they are going to scream like somebody was twisting their tail, but then he would say to those people "where's your salary been for the last 18 years". Mayor Becker added "if you had the same job". Councilwoman Critz also added "where your time and energy is". Councilman Countryman commented he just heard on the news the other day, assuming that it is reasonably accurate, the calculated cost of living increase this year (right now) is 2.7% and it went up last year too. Most programs have COLA programs that make adjustments as the cost of living increase, but Councilman Countryman thought it was reasonable to say that over 18 years the cost of living has gone up significantly and certainly to the point that it would support a \$50 increase. Councilwoman Cureton would think so too. Councilman Countryman added he didn't need it or want it, but he was not against it, but he knew that there are people that will wrench when they find out we have given ourselves a 50% increase. Councilwoman Coffey responded, "yes, and that's what I am looking at, so hopefully from in the future we can have a conversation about

putting something in place, so that there is a procedure that we use to determine this and not just pull a figure out". Mayor Becker stated that might be a good thing to look at in the future and asked if the council wanted to really look at all the municipalities and get really into studying it. Councilwoman Critz and Councilman Countryman responded "no". Councilman Countryman added he thought they were way off base in a lot of cases and people get elected in some cases because of the money. We are here because we don't care about the money, the money is not an issue; the town is an issue. Councilwoman Critz commented a heart surgeon makes more than the President of the United States, so it was always intended that elected officials receive a stipend, not a salary; therefore, we're driven not for financial gain, but to be a true public servant. We all know that can be true or not true; that's not the issue here. Councilwoman Critz stated the truth is no matter what we do there is going to be people that like it or don't like it. There are people out there, Councilwoman Critz was sure would jump up and down and say, "hey guys you are worth way more than that to us" and others are going to say, "we don't even want you to". Councilman Countryman added "to get a payment". Councilwoman Critz continued they don't want us to be here much less get a stipend. Councilwoman Critz thought that the \$150 is certainly within a responsible range of a stipend. Councilwoman Cureton thought so too. Marshville gets \$400 a month, so Councilwoman Cureton didn't think \$50 was bad. People who got two people in the family who don't need the extra money, like Councilman Countryman said, "he don't want and he don't need it" or Councilwoman Coffey said, "don't want it, she don't need", but Councilwoman Cureton is by herself and could use it. Councilwoman Coffey stated, "we're going to take it". Councilwoman Critz commented the point isn't who needs it or wants it, the point is the position. Mayor Becker added it was still very low in terms of your pay. Councilwoman Coffey commented it was valid. Mayor Becker thought it was good that Councilwoman Cureton brought that up, because we haven't done it. Mayor Becker stated he would say it one more time, "I admire this council greatly and I know you are not in it for the money, any of you". Councilwoman Coffey recommended that the council think about in the future putting something in place for a structure. Councilwoman Critz asked if she meant a yearly evaluation. Councilwoman Coffey responded, "right". Mayor Becker pointed out there was a motion by Councilwoman Cureton and a second by Councilwoman Critz and asked if there was any further discussion on the council salary issue. *The aforementioned motion by Councilwoman Cureton get a raise to \$150 for the next fiscal year for council members, which was seconded by Councilwoman Critz passed unanimously as follows:*

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

- Mayor Becker asked for the final vote, the council has the salary, they did a few extra things, the council salary, they confirmed the staff salaries, and they changed the code enforcement. If all the other appropriations look good for the council, they can just give Mayor Becker a motion to move forward to prepare the proposed budget. Attorney Griffin noted a motion was not really needed, it's the finance officer's duty to do it and the council has told him what they want in it; they can change their mind at any time until the official vote night.

9. **Consideration of Approval for Taylor and Sons to Add Pine Straw to the Downtown Park and Town Hall**

- Mayor Becker explained he didn't have it in writing for the council, but he finally got through to Mrs. Taylor this morning, because we do like them to do pine straw both in the park and the beds on the town hall. We started doing pine straw at the town hall last year or maybe two years ago for the first time and they used 140 bales (120 at the park and 20 at town hall) at \$6.25 a bale, which was approved by the council. Mrs. Taylor told Mayor Becker today that it is down to \$6.00 a bale. Mayor Becker thought it was up to Derrick [Taylor] as long as the council is flexible not to exceed 140. Mayor Becker didn't think they were going to need as much, because he has been inspecting the park and there are several years' layers there and he didn't think they need [to put] quite as thick a layer at the park as we did. Mayor Becker asked the council if they would give him approval (it is kind of an annual thing, which is subject to change) to approve Taylor and Sons to spread pine straw for \$6.00 a bale up to 140 bales.
- **Councilman Countryman made a motion to approve Taylor and Sons to spread pine straw for \$6.00 a bale up to 140 bales and Councilwoman Cureton seconded. The motion passed unanimously as follows:**

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

10. **Consideration of Calling for a Special Meeting**

- Mayor Becker asked Councilwoman Critz if she was still raring to go on her news from the class, because he did not have a whole lot to communicate, but she had the good stuff. Councilwoman Critz responded she was thinking 30 minutes early should give them all the time they need; they will talk fast and hit the high spots. Mayor Becker commented "so, it's not dinner or anything, we are just getting here at 7:00 p.m."
- **Councilman Countryman made a motion that there is a special meeting for the month of May at 7:00 p.m., May 10, 2018 at 7:00 p.m. at the Mineral Springs Town Hall for the purpose of hearing a report from the municipal government class that were attended by Councilwoman Critz and Mayor Becker and Councilwoman Critz seconded. The motion passed unanimously as follows:**

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

11. **Consideration of Adopting an Electronic Transactions Resolution and Policy**

- Mayor Becker explained Attorney Griffin already received the seven pages of stuff and it was forwarded to the auditor; both said "well, it's what you are doing anyway", since you have to adopt something now. Mayor Becker further explained the way the General Statutes are written, there are no provisions for the preaudit process that the finance officer must do for every disbursement and every transaction.... Councilman Countryman suggested Mayor Becker explain what a preaudit was. Mayor Becker responded the preaudit process is the approval that certifies the money is in the budget and the money is in the bank. That is pretty much what the two things are that the finance officer has to do. If you are going to Office Max with a debit card to buy a box of folders and you're Ms. Brooks and



you're not the finance officer, you're supposed to put that "this disbursement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act," which is signed by the finance officer and it can't be done when you are doing a debit card, gas card or even online transactions with a debit card. In 2015, the General Assembly finally caught up, because the Institute of Government was getting concerned and finance officers were saying "we don't have a way of doing this, we can't comply with the law". Mayor Becker explained "we" adopted informally the process that we are doing (Mayor Becker believed he described it to the council two or three years ago). The auditor was very happy with it, it was based on a blog that Coates' Canons [School of Government blog], one of their finance people had come up with this pre-audited approval of \$500 debit card limit for the clerk for "office" and that then is held against the budget amount, it's encumbered as if it were spent and she has to keep track and make sure she doesn't exceed that. At the end of the month it is reconciled; it expires and we issue a new monthly pre-audited amount for that department. Interestingly enough they adopted language in the General Statute in 2015 to authorize electronic transactions and authorize electronic disbursements, then they said that the Local Government Commission would have to adopt a rule to do that and that didn't happen until November of 2017. The rule is spelled out in Mayor Becker's memo. The rule says the town has to do a resolution that says this stuff, then the town has to reduce our policy to writing. Mayor Becker pointed out the council could see that two pages of the policy. To do something so simple, it's a lot of words, but as the auditor said, "you got to do what they say you've got to do". Mayor Becker pointed out the form [sample in the agenda packet] that has been being used and stated it's been working out very well.

- ***Councilwoman Coffey made a motion to adopt the Electronic Transaction Resolution R-2018-01 as presented and Councilman Countryman seconded. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

- R-2018-01 is as follows:

**TOWN OF MINERAL SPRINGS**

**RESOLUTION TO APPROVE THE USE OF  
ELECTRONIC PAYMENTS**

***R-2018-01***

**WHEREAS**, North Carolina Session Law 2015-246 amended NC G.S. §159-28 to allow electronic payments and to exempt those payments from the preaudit certificate and the disbursement certificate otherwise required under the Statute; and

**WHEREAS**, Session Law 2015-246 authorized the Local Government Commission to adopt rules for the use of electronic payments and for meeting the preaudit requirements; and

**WHEREAS**, the Local Government has adopted rules for the use of electronic payments and for exemption from the preaudit and disbursement certificate in the case of electronic payments; and

**WHEREAS**, these rules have been codified in the North Carolina Administrative Code at 20 NCAC 03 .409 and 20 NCAC 03 .410;

WHEREAS, it is the intention of the Mineral Springs Town Council to authorize the use of electronic payments in the conduct of Town business; and

WHEREAS, the rules adopted by the Local Government Commission require certain actions by the Mineral Springs Town Council;

**NOW, THEREFORE, BE IT RESOLVED** by the Mineral Springs Town Council that:

1. *The use of electronic transactions and electronic disbursements by the Town of Mineral Springs is hereby authorized; and*
2. *The Town shall maintain its existing encumbrance system by which the Finance Officer tracks obligations; and*
3. *The Town shall adopt a written policy outlining the procedures for preauditing obligations incurred by electronic payments and disbursing public funds by electronic transaction; and*
4. *The Town shall not be required to affix the preaudit language required in NC G.S. §159-28 (a1) or the disbursement certificate required in NC G.S. §159-28 (d1) to electronic payments transacted with charge cards, credit cards, debit cards, gas cards, procurement cards, or electronic funds transfers.*

ADOPTED, this the 12<sup>th</sup> day of April, 2018.

\_\_\_\_\_  
Frederick Becker III, Mayor

Attest:

\_\_\_\_\_  
Vicky A. Brooks, Town Clerk

- ***Councilman Countryman made a motion to adopt the written policy supporting that Resolution for Electronic Payments and Councilwoman Critz seconded. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton  
Nays: None*

- The Electronic Transaction Policy is as follows:

#### TOWN OF MINERAL SPRINGS

#### ELECTRONIC PAYMENT POLICY

#### **Procedures for preauditing obligations that will be incurred by electronic payments and for disbursing public funds by electronic transaction**

The Mineral Springs Town Council hereby adopts the following procedures to be followed in order to meet the requirements of resolution R-2018-01 for preauditing electronic obligations and disbursements without affixing preaudit or disbursement certificates to the transactions:

1. The Finance Officer shall designate which personnel are authorized to make electronic payments on behalf of the Town.
2. Electronic payments are defined as payments transacted with:
  - a. Charge cards
  - b. Credit cards
  - c. Debit cards
  - d. Gas cards
  - e. Procurement cards
  - f. Electronic funds transfers
3. Purchases of supplies and equipment using electronic transactions are limited to \$500 in a single transaction
4. Obligations that are incurred by electronic payments are subject to all preauditing requirements of NC G.S. §159-28 applicable to any other obligations incurred by the Town. The Finance Officer is solely responsible for this preaudit process. The preaudit process shall ensure the following:
  - a. There is a budget, project, or grant ordinance appropriation authorizing the expenditure;

- b. That sufficient budgeted monies remain in the appropriation to cover the amount that is expected to be paid out during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project or grant ordinance; and
  - c. That the amount of the transaction is recorded in the Town's encumbrance system.
5. In addition, prior to making disbursements by electronic payments, the process shall ensure the following:
  - a. That the amount claimed is payable
  - b. That there is a budget, project, or grant ordinance appropriation authorizing the expenditure;
  - c. That monies remain within the appropriation to cover the amount that is due during the current fiscal year if accounted for in the budget ordinance, or to cover the entire amount if accounted for in a project or grant ordinance; and
  - d. That the Town has sufficient cash to cover the payment.
6. In order to meet the requirements of Sections (4) and (5), the Finance Officer shall create a "Preaudit Authorization" form. The form shall cover a set period, shall identify the budget department and the purchaser, shall specify the dollar amount being authorized, shall indicate an expiration date, and shall include a preaudit certificate signed and dated by the Finance officer stating that "This disbursement has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act." A separate form shall be required for each budget department and for each purchaser. Prior to signing the Preaudit Certificate on the Preaudit Authorization form, the Finance Officer shall ensure that the full amount authorized by the form meets the requirements of Sections (4) and (5) of this policy by verifying that there is an appropriation covering the expenditure, that there remain sufficient unexpended and unencumbered monies in the appropriation to cover the full amount, and that sufficient cash will remain in the bank account associated with the electronic payment vehicle to cover the full amount. The amount of each purchase shall be deemed payable if the purchaser has placed an electronic order at a set price or has accepted goods or services in the course of a point-of-sale transaction where the purchase receipt accurately reflects the total sale price of the goods or services, and the purchaser's electronic or physical signature shall serve as verification of the payability of the amount claimed.

The form shall additionally have space to enter the transactions in a list, and the purchaser shall enter in that list the date, vendor, purpose, and amount of each transaction, and shall keep a running total of all disbursements authorized by the form. The running total shall not exceed the total authorization granted by the form. Purchaser shall attach receipts for every transaction to the form and shall provide the Finance Officer with daily copies of any electronic transactions that were made. If a purchaser needs to make purchases in a budget department in the set period that exceed the amount of a signed Preaudit Authorization form, the purchaser shall request an additional form from the Finance Officer.

The Finance Officer shall consider the full amount of each form an encumbrance against the corresponding appropriation and shall track all such encumbrances until each form is closed out at the end of the authorization period. In addition, each quarter the Finance Officer shall provide the Town Council a budget-to-actual statement that includes the following:

- a. Budgeted accounts;
- b. Actual payments made;
- c. Amounts encumbered, including electronic obligations; and
- d. The amount of the budget that is unencumbered for all major funds.

If monthly finance reports to the Town Council include all of the above information, those monthly reports shall satisfy the requirements of (a) through (d) above.

7. All preaudit Authorization forms and their associated receipts shall be retained by the Finance Officer in a file by period and shall be made available to the Town's auditor each fiscal year.
8. The Finance Officer shall provide adequate training to any authorized purchasers to ensure that those purchasers understand and are able to comply with this policy prior to granting authorization for any purchaser to undertake any electronic payments.

## 12. Consideration of a Resolution Establishing Deposit Policy

- Mayor Becker commented since the council was doing finance housekeeping there was one thing that came up. The council has talked about the daily deposit requirement and the \$250 limit for maybe 15 years. The council has approved not making deposits until it's up to \$250, because that is what the finance officer has been doing, but they have never adopted a resolution stating that they're approving that waiver of daily deposits up to a \$250 maximum, which is all the statute will allow. The statute will not allow you under any circumstances to have more than \$250 in check or cash without going to the bank. Councilwoman Coffey advised that the council peel that back a little bit and that we take any monies to the bank as they are received, because things can happen and you never want to have a

problem with co-mingling of funds or funds sitting here nobody knows. Let's say this person expires, that's a problem. Councilwoman Coffey explained her history is that every single day, every single dollar collected needs to be banked, that's the way the county is handling it. Where Councilwoman Coffey works right now "you best go to the bank every day, if there is \$5.00, you best be getting there". Mayor Becker responded that was important, but he just wanted to put Councilwoman Coffey's mind at rest a little bit. Councilwoman Critz noted the town had been practicing this. Councilwoman Coffey stated that doesn't make it right. Mayor Becker responded, "no, I'll explain what some of our safeguards are, cause the auditor is even satisfied with us". When something is brought in, whether it is brought in by Ms. Ridings or brought in by Ms. Brooks, immediately a voucher for that payment is generated and the voucher and check are turned over to the finance officer who locks it up, so if we all disappear we have already got that paper trail and it's accounted for on both sides, both the recipient and the finance officer have accounted for that money. It's expensive, not just in staff time, but in mileage reimbursement, because the town does reimburse the finance officer or anybody who goes to Monroe to make a deposit. When you go 25 miles round trip, that's \$12 in mileage reimbursements at the General Services Administration Mileage Rate, so Mayor Becker is always trying to minimize it. The money is very carefully accounted for in two offices. Mayor Becker commented that was just to put Councilwoman Coffey's mind at rest a little bit. Councilwoman Coffey responded her mind wasn't uneasy about it, she doesn't have any problem with Mayor Becker, she doesn't have any problems with the town or anybody that works here, but her thing is that any time monies have exchanged hands it needs to be accounted for in an institution and that is just her history. Mayor Becker commented that was important to know and explained the statute will not allow any more than \$250 (it's etched in stone) and he jokes with the bank, because there have been times on the last day of the month he has gone in with \$2, because somebody ordered a CD of the meeting audio and it was \$2 and it was received on the 29<sup>th</sup>, so he had to make a \$2 deposit at the bank, because there are no exceptions for the last business day of the month (also in the statute), you have to make the deposit. Mayor Becker reiterated that we wait until we have \$250, because it is allowed by statute and the board. Councilwoman Critz commented she had a vague memory of when the council discussed this initially and started doing this and it was because frequently we get very small increments of money in and like Mayor Becker said, "you would be paying \$12 in reimbursement to deposit a \$2 check". If Councilwoman Critz remembers correctly, that's why they did this to start with, so that just because we are a small municipality, our tax rate is so low that we are often getting smaller increments of money. Councilwoman Critz asked if she was wrong and if that was where we were coming from. Mayor Becker responded, "no, and when we were collecting taxes in-house with an in-house tax collector, that became, we were making a lot of deposits, because Ms. Andrews was getting, Ms. Ridings and I were talking about this, in November she might have a windfall day where she would get 100 checks and so we were making deposits every day, because she had so much coming in, we just did it, but now we, even at the \$250 level, Councilwoman Coffey, I probably make...and if I'm going to Monroe, I try to make it when I'm going anyway, so I don't charge the town for mileage, cause I just like to do it that way...but we probably only make two or three cash deposits a month anymore (cash and check). We get very little cash". One

good thing happened that Mayor Becker didn't think was going to make any difference was that we do take credit cards (Visa, American Express) via Point & Pay, which is set up so it charges the person making the payment. It is a fee of \$2.95 that people are very willing to pay, so we are not eating that, so a lot of our money is going in through Ms. Brooks. A \$50 zoning permit is going in that way, Mayor Becker thought it was great. Initially, Mayor Becker thought we would get one transaction a year, it started off very slow, but Ms. Brooks is handing him a Point & Pay receipt several times a month now. We are still putting in maybe \$500 during an average month. Councilwoman Critz asked when Mayor Becker was putting money in the safe and locking it up where the voucher goes – does Ms. Ridings keep it? Mayor Becker responded she would keep it if it was tax collection and Ms. Brooks keeps her voucher if it's a zoning or festival collection and then he has a copy of it paper clipped to the check and it's written down what it is. A photo copy of the check is also kept by Ms. Ridings or Ms. Brooks. Mayor Becker explained we do occasionally get cash, but it's pretty rare these days. Everybody has got a fireproof drawer, they are in separate offices and Mayor Becker keeps the money in one fireproof file and the vouchers in another, because we try to separate everything we possibly can and that is what the Local Government Commission and the auditor like. Attorney Griffin stated he thought the key here was they are doing what the law allows. You determine the security of it, but you've got to say, "and the law allows this". You are not going beyond what the law allows, so you are safe in your procedures. You have been safe in your procedures and to formalize it in a policy is just stating what you have been doing and is allowed by law. Mayor Becker stated he also took Councilwoman Coffey's cautions seriously, because a town like us, it isn't as big of a deal, cause we have so little cash business, but any business you are involved in (as you know), whether you are a restaurant, a retail store, a lawyer, your money coming in across the desk is where it can be lost by all, by accident and embezzlement occurs, so it's important to be very.....Councilwoman Coffey's caution is well taken. Councilwoman Critz referred to Attorney Griffin and commented she was assuming there are different standards for different situations. Attorney Griffin responded he didn't know, he just knew this is allowed by law. Mayor Becker responded "it doesn't matter how big you are, that \$250 limit maximum, they say daily deposits and interestingly enough, the statute is very unclear. I don't know if I put it in the memo, and Kara Millonzi has danced around that cause, so they deposit with the finance officer daily anyway. I mean I get it every time they collect it, it doesn't say the finance officer has to put it in the bank daily. She has (and Attorney Griffin is nodding his head), I think that the School of Government finance people have kind of said, interpreted it to mean the finance officer should be putting it in the bank daily also, it doesn't say that and so in theory, the finance officer can accumulate this pile of money. I don't think that is the intent of the statute, wouldn't you say Attorney Griffin"? Attorney Griffin responded he didn't think so.

- ***Councilwoman Coffey made a motion to adopt the Resolution R-2018-02, item #12 on the agenda, the deposits are made at the \$250 threshold, thereby allowable by law and Councilman Countryman seconded. The motion passed unanimously as follows:***

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

- The resolution R-2018-02 is as follows:

**TOWN OF MINERAL SPRINGS**  
**RESOLUTION TO APPROVE PROCEDURES FOR**  
**CASH AND CHECK DEPOSITS**

***R-2018-02***

WHEREAS, North Carolina General Statute §159-32 requires daily deposits of all taxes and other moneys collected or received by an officer or employee of a local government; and

WHEREAS, a local governing board may give its approval for deposits to be made only when the moneys on hand amount to as much as two hundred fifty dollars (\$250.00);

***NOW, THEREFORE, BE IT RESOLVED by the Mineral Springs Town Council that:***

1. *All moneys collected or received by any officer or employee of the town of Mineral Springs shall be deposited daily with the Finance Officer along with such documentation as the Finance Officer shall require; and*
2. *The Finance officer shall be permitted, at his or her discretion, to keep such moneys in a secure and fireproof location until the amount of such money is at least two hundred fifty dollars (\$250.00); and*
3. *When there is at least two hundred fifty dollars (\$250.00) on hand, the finance officer shall deposit those moneys in an official depository, and shall in any event make a deposit in an official depository on the last business day of the month regardless of amount.*

ADOPTED, this the 12<sup>th</sup> day of April, 2018.

\_\_\_\_\_  
Frederick Becker III, Mayor

Attest:

\_\_\_\_\_  
Vicky A. Brooks, Town Clerk

- Mayor Becker noted he would answer Councilwoman Critz's question. If she was thinking different size municipalities or towns, it doesn't matter, the City of Charlotte must make a deposit if they have \$250, Union County must make a deposit if they have \$250. Attorney Griffin added Peachland and Polkton right on down the highway. Mayor Becker continued as small as you are the maximum is \$250 and that hasn't changed in the Local Government Budget and Fiscal Control Act in a long time; it hasn't changed with inflation that Mayor Becker is aware of. "That's been the maximum they allow you to not deposit by statute", Mayor Becker said. Councilwoman Critz stated it's a failsafe and it should be. Mayor Becker commented he was glad to get rid of it [money], he was glad that they force us to, if they didn't there are plenty of municipalities who would either try to save money on mileage and staff time or would be lazy and they would be piling up money and then it would disappear. Not all statutes are crazy, "it's good to keep us honest".

**13. Staff Reports**

- There were no staff reports.

14. Other Business

- There was no other business.

15. Adjournment

- **Councilwoman Coffey made a motion to adjourn and Councilman Countryman seconded. The motion passed unanimously as follows:**

*Ayes: Coffey, Countryman, Critz and Cureton*

*Nays: None*

- The meeting was adjourned at 8:19 p.m.
- The next regular meeting will be on Thursday, May 10, 2018 at 7:30 p.m. at the Mineral Springs Town Hall.

Respectfully submitted by:

  
Vicky A. Brooks, CMC, NCCMC, Town Clerk



  
Frederick Becker III, Mayor