

**TOWN OF FOUR OAKS**  
**TOWN COUNCIL MEETING**  
**APRIL 11<sup>TH</sup>, 2022**  
**AGENDA**

- 1) Call to Order
- 2) Invocation and Pledge of Allegiance
- 3) Approval of Minutes
  - (a) Town Council Meeting – March 14<sup>th</sup>, 2022
- 4) 2020-2021 Financial Statement – Austin Eubanks, TPSA Auditor via Zoom
- 5) Public Comments
- 6) Public Hearings
  - (a) Anthony & Rhonda Lee, petitioner & owner of parcel # 08I12032A located at 2057 NC Hwy 96 S., Four Oaks, NC – Special Use for an Oversized Building
  - (b) Nicholas & Keli Byrd, petitioner & owner of parcel # 08H1020B located at 106 Parker St., Four Oaks, NC – Special Use for an Oversized Garage
  - (c) On the Level Land Surveying, PLLC, petitioner and S&B Real Estate Ventures, LLC, owner of parcel # 08018001 located at 246 S. Baker St. – Request to split the parcel into 6 lots to build single-family home subdivision
  - (d) Certificate of Sufficiency & Annexation Ordinance – Golden Leaf LLC, Dan Byrd, located at 715 E Sanders St., Four Oaks, NC, Parcel # 08I10047C
- 7) New Business
  - (a) Resolution for Annexation Investigation – C&B Development, LLC, located at 894 Black Creek Rd, Four Oaks, NC, Parcel # 08H10015
  - (b) Resolution for Annexation Investigation – Dustin Norris, located at 645 Tetterville Rd, Four Oaks, NC, Parcel # 08H11091
  - (c) Resolution to adopt the North Carolina Local Government Agencies Records Retention and Disposition for General Records Schedule and Program Records Schedule
- 8) Budget Amendments
  - (a) General Fund - #BA 2021-22 02
  - (b) Water/Sewer - #BA 2021-22 02
- 9) Mayor's Comments
- 10) Department Reports
  - (a) Police – Hatch
  - (b) Parks & Rec & Outreach – Hines
  - (c) Water and Sewer – Medlin
  - (d) Sanitation & Streets – Surles
  - (e) Finance – Hardy

Adjournment

**TOWN OF FOUR OAKS**  
**TOWN COUNCIL MEETING**  
**APRIL 11<sup>TH</sup>, 2022**  
**MINUTES**

**Call to Order**

Mayor Vic Medlin called the April 11<sup>th</sup>, 2022 regular scheduled Town Council meeting to order at 7:02 p.m. Those present included Commissioners Andy Hardy, John Hatch, Mike Hines, Kim Robertson, and Carles Surles. Also, present were Public Works Director Barry Stanley; Police Chief Stephen Anderson; Planning & Zoning Administrator Pauline Ketchum; Town Clerk Martha Garris recording minutes; and Mike Dart from FO Benson New in Review.

**Invocation and Pledge of Allegiance**

Commissioner Hatch gave the opening Invocation with Hayden Jones leading the Pledge of Allegiance.

**Approval of Minutes**

**Town Council Meeting – March 14<sup>th</sup>, 2022**

Commissioner Hardy made a motion to approve the Town Council regular meeting minutes as presented, seconded by Commissioner Surles, voting unanimous.

**2020 -21 Financial Statement – Austin Eubanks, TPSA, P.A.**

Austin Eubanks, auditor from TPSA, presented the 2020-21 Financial Statement as follows:

- The audit was performed in accordance with the Generally Accepted Auditing Standards, Government Auditing Standards, OMB Uniform Guidance, and the State Single Audit Implementation Act to provide reasonable assurance that the financial statements were free of material error and in compliance with government regulations. There were no material errors noted and he had complete access to management and required information. Mr. Eubanks noted there were a couple significant deficiencies in the internal control to be discussed in more details.
- There were no new accounting policies; the financial statement disclosures are neutral, consistent, and clear; and no significant audit adjustments or unrecorded differences.
- There were no disagreements with management; no outside accountant consultations; and no prior retention issues.
- There were no difficulties encountered in dealing with management while performing the audit, and no material irregularities or illegal acts determined during the audit.
- In the General Fund, the net profit was \$324,596 and the fund balance available as a percentage of general fund expenditures was 768,084 or 42.71% which gives approximately 5 months of expenditure coverage. The net profit margins or fund balance as a % of expenditures have increased over the past 3 years from 26.73% to 42.71%. LGC minimum requirement for towns of equal size is 34% of total expenditures as undesignated fund balance while the state average is 63%. Mr. Eubanks encouraged the Board to strive to continue to increase fund balance coverage.



- Tax collection rate was 99.83%, which exceeds the state average of 98%.
- General Fund operating revenues consisted of: 47% in ad valorem taxes; 24% in unrestricted intergovernmental funds; 15% in sales and services; and 14% in other revenue.
- General Fund operating expenditures consisted of: 38% in public safety; 18% in general government expenditures; 17% in environmental protection; and 27% in other expenditures.
- General Fund unrestricted fund balance was \$768,084 and restricted fund balance was \$334,011 for a total fund balance of \$1,102,095.
- In the Proprietary Fund, the net profit was \$92,627, and net position was \$3,067,322.
- Overall: unrestricted cash & cash equivalents were \$1,790,521 or \$911,607 in proprietary fund & \$878,914 in general fund; while restricted cash & cash equivalents were \$100,202 or \$57,670 in proprietary fund, \$27,890 in non-major fund, & \$14,552 in general fund.
- Findings:
  - (1) Segregation of Duties: duties are not segregated among Town personnel, therefore failing to provide reasonable assurance that transactions are handled appropriately. Mr. Eubanks explained that he and Town Clerk Garriss had discussed some mitigating factors & controls for cash management, accounts payables, and payroll which should help eliminate the segregation of duties issues if the controls are properly implemented. He also suggested cross training and mandatory vacations as a control to help with segregation of duties; and
  - (2) Investment of Donated Funds: town invested donated funds into an investment that is not allowed by NC General Statute 159-33. This investment was at the request of the donor. Mr. Eubanks explained that since this is an endowment fund, it will continue to be a finding in perpetuity or until the LGC changes the rule for these types of investments.
- Auditing firm is now required to communicate any LGC Financial Performance Indicators of Concerns ("FPIC") to the Local Boards. The Board must submit a response within 60 days of the Board Meeting in which the financial statements are presented and the detailed response should be presented to and signed by the entire Board, Finance Officer, and Manager. The letter should address each of the following findings individually and the efforts being taken to mitigate the findings going forward. The following FPIC's were identified by the LGC that require notification to the Board:
  - (1) The 2021 Audit Report is expected to be submitted within 5 months plus one day from the fiscal year end per the auditor. The Town's 2019-2020 audit was significantly late due to previous auditor issues causing the 2020-2021 audit to be submitted late;
  - (2) The Town was on the LGC Unit Assistance List which requires a detailed response to the audit findings explaining mitigation efforts to get off the list; and
  - (3) The unit must address the material and/or significant findings or any other findings that the auditor reported to them, which are the segregation of duties and the donated funds.
- Overall summary by auditor: The town seems to be headed in the right directions as far as the financials are concerned. As long as the internal controls are implemented correctly, the findings should go away in the future. The Board is doing a good job staying within the town's budget. In the proprietary fund, the town needs to be sure to show profits each year because that is heavily looked at by the LGC.



Commissioner Hardy thanked Mr. Eubanks for doing the audit and helping make the auditor transition as easy as possible. The Board feels we have received a much better audit this time. He explained that the LGC's letter of concerns is something the Town has received for years because the Town's fund balance has not been where the LCG wants it to be even though it did exceed the general statute minimum requirement. The Board has made tremendous efforts towards increasing the fund balance over the past few years and finally we are almost there to get off the list. With the continuous efforts in striving to increase the fund balances to satisfy the requirements to get off the LGC lists, the board has focus on trying to keep the tax rate low while continuing to provide good town services. New internal controls have been implemented to satisfy our needs and protects the Town and employees.

Mayor Medlin thanked Commissioner Hardy for his hard work and dedication to the town. The Town is blessed to have his expertise and knowledge on the Board. He works tirelessly to make sure the Town is moving in the right direction financially.

### **Public Comments**

**Patricia Jones**, on behalf of Smith Street owners, thanked the Town employees & board for seeing that the action plans previously requested such as the lighting, tree pruning, & police security needs had been fulfilled and followed through with.

### **Public Hearings**

Mayor Medlin called the meeting into a public hearing.

#### **Anthony & Rhonda Lee, petitioners & owners of parcel # 08I12032A at 2057 NC Hwy 96 S, Four Oaks, NC – Special Use for an Oversized Building**

Pauline Ketchum, Planning & Zoning Administrator, relayed the Planning Board heard the request for a special use by Anthony & Rhonda Lee, petitioners & owners of parcel # 08I12032A located at 2057 NC Hwy 96 S, Four Oaks, NC to build an oversized 1,600 sq ft garage beside their home on parcel #08I12033C for farm equipment, vehicles, & hay storage with electricity. Anthony & Rhonda Lee were present at the meeting to represent. Mrs. Ketchum relayed the property is in the ETJ, zoning is R-A, letters had been sent out, she had received no inquiries, they meet all requirements, and the planning board was recommending for Board approval. Commissioner Hardy inquired about the location of the building. Mr. Lee responded it would be replacing an existing building beside their house. There were no public comments.

Mayor Medlin closed the public hearing. Motion to approve the proposed special use by Anthony & Rhonda Lee, petitioners & owners of parcel # 08I12032A located at 2057 NC Hwy 96 S, Four Oaks, NC to build an oversized garage beside their home on parcel #08I12033C was made by Commissioner Hardy, seconded by Commissioner Hines, voting unanimous.

Mayor Medlin called the meeting back into a public hearing.

#### **Nicholas & Keli Byrd petitioners & owners of parcel # 08H10020B at 106 Parker St., Four Oaks, NC – Special Use for an Oversized Garage**

Pauline Ketchum, Planning & Zoning Administrator, relayed the Planning Board heard the request for a special use by Nicholas & Keli Byrd petitioners & owners of parcel # 08H10020B at 106 Parker St., Four Oaks, NC for an oversized 1,100 sq ft detached garage for personal use. Nicholas



Byrd was present at the meeting to represent. Mrs. Ketchum relayed the property is in the city limits, zoning is R8-5S, letters had been sent out, she had received no inquiries, they meet all requirements, and the planning board was recommending for Board approval. Commissioner Hardy inquired about the location of the building. Mr. Byrd responded it would be to the right of the house & pool area. There were no public comments.

Mayor Medlin closed the public hearing. Motion to approve the proposed special use by Nicholas & Keli Byrd petitioners & owners of parcel # 08H10020B at 106 Parker St., Four Oaks, NC for an oversized detached garage was made by Commissioner Hardy, seconded by Commissioner Hatch, voting unanimous.

Mayor Medlin called the meeting back into a public hearing.

**On the Level Land Surveying, PLLC, petitioner & S&B Real Estate Ventures, LLC, owner of parcel # 08018001 at 246 S Baker St., Four Oaks, NC – Application for a Subdivision**

Pauline Ketchum, Planning & Zoning Administrator, relayed the Planning Board heard the request by On the Level Land Surveying, PLLC, petitioner & S&B Real Estate Ventures, LLC, owner of parcel # 08018001 at 246 S Baker St., Four Oaks, NC to split the parcel into a 6 lot, single family home subdivision. Nicholas Byrd was present at the meeting to represent. Mrs. Ketchum relayed the property was zoned R-6, had three pre-existing homes that have been demolished, and the petitioner & owner wants to split the parcel and build 6 new 3 bedroom / 2 bath homes. The lots will meet the 6,000 sq ft minimum size and all other requirements. She reported letters had been sent out, she had received no inquiries and the planning board was recommending for Board approval. There were no public comments.

Mayor Medlin closed the public hearing. Motion to approve the proposed application for a subdivision by On the Level Land Surveying, PLLC, petitioner & S&B Real Estate Ventures, LLC, owner of parcel # 08018001 at 246 S Baker St., Four Oaks, NC for a 6 lot, single family home subdivision was made by Commissioner Hardy, seconded by Commissioner Surles, voting unanimous.

Mayor Medlin called the meeting back into a public hearing.

**Annexation Ordinance – Dan Byrd, Petitioner, & Golden Leaf LLC, owner located 715 E Sanders St., Four Oaks, NC, Parcel #08I10047C**

Mrs. Ketchum relayed that Martha Garris, Town Clerk was directed to investigate parcel # 08I10047C located at 715 E Sanders St., Four Oaks, NC, owned by Golden Leaf LLC, for annexation in March. The property is contiguous, meets all the requirements under G.S. 160A-31, and is ready to move forward with the annexation process. A portion of this parcel is already within the city limits and owner wishes for the entire parcel to be incorporated. The zoning for the parcel will be grandfathered in as R8-5S. The property already has water and sewer to tie into at the owner's cost and there will be no additional costs to the town for the annexation. There were no public comments. Mayor Medlin closed the public hearing. Motion to approve the voluntary annexation for parcel #08I10047C located at 715 E Sanders St., Four Oaks, NC was made by Commissioner Hines, seconded by Commissioner Hardy, voting unanimous.

## **New Business**

### **Resolution for Annexation Investigation – C & B Development, LLC, located at 894 Black Creek Rd, Four Oaks, NC, Parcel # 08H10015**

Mrs. Ketchum relayed an application for a voluntary annexation had been received for Parcel # 08H10015 located at 894 Black Creek Rd, Four Oaks, NC., owner & petitioner C & B Development, LLC for town services. Motion to approve the resolution directing the Town Clerk to investigate the petition for a voluntary annexation received under GS 160A-31 was made by Commissioner Hardy, seconded by Commissioner Robertson, voting unanimous.

### **Resolution for Annexation Investigation – Dustin Edward Norris, located at 645 Tettersville Rd, Four Oaks, NC, Parcel # 08H11091**

Mrs. Ketchum relayed an application for a voluntary annexation had been received for Parcel # 08H11091 located at 645 Tettersville Rd, Four Oaks, NC., owner & petitioner Dustin Edward Norris for town services. Motion to approve the resolution directing the Town Clerk to investigate the petition for a voluntary annexation received under GS 160A-58.1 was made by Commissioner Robertson, seconded by Commissioner Hardy, voting unanimous.

### **Resolution to Adopt the North Carolina Local Government Agencies Records Retention and Disposition for General Records Schedule and Program Records Schedule**

Martha Garris, Town Clerk, presented the NC Department of Natural & Cultural Resources general records retention & disposition schedule and program records schedule for local government agencies to manage records in accordance with the provision of Chapter 121 and 123 of the General Statutes of North Carolina. Motion for the Town of Four Oaks to adopt the resolution for the general records retention and disposition schedule and the program records schedule presented was made by Commissioner Hardy, seconded by Commissioner Robertson, voting unanimous.

### **Budget Amendments – #BA 2021-22 02**

Commissioner Hardy presented the 3<sup>rd</sup> quarter budget amendments for the general fund and the water & sewer fund as of March 31, 2022. Commissioner Hardy commented there will be a more budget amendments in June. Motion to approve the budget amendments as presented was made by Commissioner Hardy, seconded by Commissioner Surles, voting unanimous.

## **Mayor's Comments**

Mayor Medlin thanked everyone for helping out with the movie night and added that the Chamber of Commerce Car Show along with the South Johnston event for the feeder schools were both a huge success. We can all be proud of the recent community events.

## **Department Reports**

### **Police – Hatch**

Chief Anderson read the monthly police report (attached).

### **Parks & Rec and Outreach – Robertson**

Commissioner Robertson reported: (1) in Barbour's Grove Park the electricity was in the process of being worked on and a tree had been removed so the Christmas can be place there; (2) Eddie Jones was to begin painting the Main St. Kiddie Park equipment; and (3) Civitan sports participant numbers had increased for the spring sports. Mayor Medlin commented the number



of Civitan members continues to decline and one day they will need the Town's help to run the youth sports programs, which the Town is prepared to help at that time. He encouraged everyone to go out in the evenings to see the numbers out at the ball fields.

#### **Water and Sewer – Hines**

Commissioner Hines read the water and sewer report (attached). Water had revenue of \$21,795 and the sewer had revenue of \$27,917. The 12-month daily average per gallon was an 10% loss for water and 4% loss for sewer. He reported the has been exceptional progress done on the Project Heidi project for the new pump station and sewer extension. Barry Stanley, Public Works Director, added that the 2 trucks and old jetter had been sold on GovDeals.

#### **Sanitation & Streets**

Commissioner Surles reported streets & sanitation were good.

#### **Finance – Hardy**

Commissioner Hardy read the financial report (attached) with total funds of \$2,739,070 and made a motion to approve the March payables listed in the attached report, seconded by Commissioner Surles, voting unanimous.

#### **Executive Session**

Motion was made by Commissioner Hardy, seconded by Commissioner Hines to move out of regular session and into executive session to discuss a personnel matter, voting unanimous.

No motions were made


Motion was made by Commissioner Hines, seconded by Commissioner Hatch to move out of executive session and into regular session, voting unanimous.

#### **Adjournment**

With no further business brought before the Town Council, motion to adjourn at 8:20 p.m. was made by Commissioner Hardy, seconded by Commissioner Hines, voting unanimous.

  
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Vic Medlin, Mayor

ATTEST:

  
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Martha Garriss, Town Clerk