

TOWN OF BROADWAY  
BOARD OF COMMISSIONERS  
MEETING MINUTES  
FEBRUARY 7, 2023

A special meeting of the Board of Commissioners was held on Tuesday, February 7, at 5:00 p.m. at the Council Chamber, 103 North Main Street, Broadway, North Carolina. The purpose of the meeting was to consider approval of a budget amendment for the use of APRA funds.

Board members present were Mayor Donald Andrews, Commissioners April Collins, Lynne Green, Teresa Kelly, and Jim Paschal. Also, Town Manager John Godfrey, Town Counsel Jimmy Love, Finance Officer Gail Brown, and Town Clerk Laura Duval were present. Mayor Pro Tem Beal was unable to attend the meeting.

The meeting was called to order by Mayor Andrews.

Mayor Andrews advised the Town Board regardless of what transpires moving forward with pumping the effluent to Sanford or merging with them in the future, the lines have to be put in the ground. The Town is waiting to hear from the AIA grant. According to Withers-Ravenel, it is scheduled to be posted later this month.

The Mayor and Town Manager met with Hal Hegwer, Vic Czar, Beth Kelly, and Mayor Salmon, with the City of Sanford, during the first part of January. From that meeting came the prerequisite, the Town needs data to indicate what our needs are. After meeting with the Sanford leadership team, Mayor Andrews contacted Bill Cowen, with Withers, and asked what needs to be done so that the Town can inform Sanford of the number of gallons that will be sent to the City. Sanford needs concrete information. Mr. Cowen advised a preliminary engineering report (PER) will address those questions and give information on current use and future needs. It will provide true data. That will help the City know what to plan for and what the Town's needs are. Since the Town has an agreement with Withers for on call engineering services, they will prepare the report. The cost of the preliminary engineering report is \$40,000. The AIA tells what is in the ground and the condition of it. The AIA and the PER will impact the City's decision on the merger. The reports will also help both parties plan, and collaboration can take place on finding the money for the merger needs. If the merger does not occur, the Town's 800 customers will bear the total cost of increasing WWTP costs. The Town Board wants to be in a position to approve or deny growth. There are presently 12 individual lots in Town that could be developed. Adjoining the Town, there are 500-600 acres that could be developed and annexed if the Town had more sewer capacity.

There is \$409,000 available in ARP funds. Last fall the Town Board decided to take the standard allowance, which can be claimed for revenue loss. Mayor Andrews, Town Manager Godfrey, and Sanford Finance Director Beth Kelly met last week. Since

the City provides back up financial services for the Town, he wanted to include Ms. Kelly in the discussion. The Mayor wanted the Town's set up used for ARP funds to be the same as the City's so that the auditors would see consistency. The Mayor and Town Manager would like to use the \$409,000 for salaries. This will free up money that can be used in the General Fund. When Mr. Godfrey completes the funding report in April, it will show the Town spent its ARP funds on salaries. This is the simplest way, and the funds will be accounted for by this April with no further monthly reporting necessary.

A grant project ordinance for \$409,000 was presented for approval. Commissioner Kelly made the motion to approve the grant project ordinance allowing the use of ARP funds for salaries. The motion was seconded by Commissioner Collins. Motion carried unanimously.

A budget amendment was presented for approval. The Town had unplanned expenses this budget year such as the contract with the accounting firm, front entrance security, and additional attorney fees in General Fund. In Water & Sewer Fund there were additional expenses in professional services, postage (USPS increased cost of postage), credit card charges (missed assessment report deadline), and tank maintenance. \$103,500 of the \$409,000 that was freed up will be used to cover these shortfalls. In General Fund the budget amendment appropriates \$30,000 from Revenues in Fund Balance to \$25,000 in Finance Department and \$5,000 in Maintenance Department. It also appropriates \$73,500 from Retained Earnings in Utility Fund to Water & Sewer Department - Expenses.

Commissioner Kelly made the motion to approve the budget ordinance appropriating \$30,000 to General Fund and \$73,500 to Utility Fund. The motion was seconded by Commissioner Green. Motion carried unanimously.

Commissioner Paschal made the motion to approve Task Order Number 3 for the preparation of the PER by Withers-Ravenel. The motion was seconded by Commissioner Kelly. Motion carried unanimously. Withers will complete the report by the end of April.

The Town has received no response from the County about helping us. Their retreat was held for fiscal year 2023-2024. The Mayor had requested the amount of the cost for the PER, but that is needed immediately. The County may be waiting to see if the Town receives the \$400,000 grant. The grant is a 65%-35% match. The Town will be responsible for 35% of the cost, which is \$140,000. The grant covers the cost of engineering, permitting, and design of the Watson Lake Dam work. \$1,500,000 is needed to complete the actual project. Mayor Andrews also plans to talk with Representative Sauls and Senator Burgin to discuss help with funding the Watson Lake Dam project.

Sewer capacity is the most pressing issue right now. It will take 30 months to put in a line from the WWTP to Carr Creek. The preliminary engineering report will look at the Town's growth potential, what the Town already has, and estimate high. Results of the report could change the City's interest as to whether they want to merge with Broadway or agree to accept our effluent pumped to Carr Creek.

With no further business to come before the Town Board, Commissioner Paschal made the motion to adjourn the meeting. The motion was seconded by Commissioner Kelly. Motion carried unanimously to adjourn.

---

Donald F. Andrews  
Mayor

---

Laura K. Duval, Town Clerk

