

TOWN OF CUMBERLAND GAP
BOARD OF MAYOR AND ALDERMAN
MARCH 7, 2016
PAGE 1 OF 4

The Board of Mayor and Alderman met in regular session on March 7, 2016 with Mayor McGaffee calling the meeting to order at 7:00 p.m. at the Town Hall building, 330 Colwyn, Cumberland Gap, TN. After the Pledge to the Flag, Mayor McGaffee called for a roll call of the Board Members. Board Members answered as follows: Susan Bain-here; Chuck Coffey- here; Teresa Fuson- absent; Jerry Hopson -here; John Ravnum-here; Phillip Waller-here.

Mayor McGaffee called for approval of the minutes. Susan Bain made a motion to the approve minutes, with a second by Chuck Coffey. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.

Mayor McGaffee next called for the Financial Report. Town Recorder, Linda Moyers, reported the balances of all the accounts. Mayor McGaffee called for a motion to approve the Financial Report. Chuck Coffey made a motion to approve the financial report, with a second by Susan Bain. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.

Mayor McGaffee directed the meeting to approval of the bills. Jerry Hopson made a motion to pay the bills, with a second by Susan Bain. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.

Before the committee reports, Richard Hill gave the audit report for FY 2015. The town received a clean or unmodified audit opinion, which means the financial statements were presented fairly in all material respects.

During FY 2015, the town had two major funds- General Fund and Drug Fund. Total assets for both funds was \$219,663. In the General Fund there was an excess of revenue and other financing sources over expenditures in the amount of \$43,361. The fund balance for the General Fund at the end of the year is \$161,319. The Drug Fund had no revenue and \$16 in expenses. The fund balance for the Drug Fund at the end of the year is \$2,431.

Mr. Hill spoke concerning the new law that is now into effect (went into effect for FY 2016) that requires water and sewer activities be recorded into a separate accounting fund (instead of being a part of the general fund). Had there been a separate fund accounting for FY 2015 the water & sewer activities would have had a deficiency of revenue over expenditures in the amount of \$73,241. This report includes depreciation (\$93,199), which in the past the town has not been required to fund. Under the new law, depreciation must funded. The town has since raised water and sewer rates in order to fund depreciation.

TOWN OF CUMBERLAND GAP
BOARD OF MAYOR AND ALDERMAN
MARCH 7, 2016
PAGE 2 OF 4

If there is a loss in water and sewer activities for two consecutive years, the state will review expenses and rates. This fiscal year will not be counted, because the activities was not recorded in a separate accounting fund. Beginning this current fiscal year, FY 2016, the water and sewer activities are in a separate fund.

Although the town is not required to put the depreciation funds into a savings account, the money cannot be used for repairs and maintenance of existing equipment (or water/sewer lines) and should only be used for purchasing capital equipment. Capital equipment is defined as equipment that will last more than one year and goes over the capitalization threshold set forth by the town.

There was only one finding, which is the same as previous years, segregation of duties. Due to limited number of personnel a lack of segregation of duties exists. The recorder mentioned the new law that requires an internal control policy be in place as of June 30, 2016. Mr. Hill stated that the town's migrating control may be the board's involvement, for instance they are involved in paying the bills.

Mr. Hill explained the base fee for the FY 2016 audit will be \$9,450, an increase of \$275 from the prior year fee (which was not increased from the fee for the year prior to that). Because the Town will be required to present the water and sewer activities in a separate fund for the first time, they will incur some time to modify the financial statements for these changes. They would bill this only for the time it takes, and should not be no more than \$750. That is a one-time charge to get everything changed over for the new format.

Jerry Hopson made a motion to contract with Mitchell Emert and Hill for FY2016, with a second by Chuck Coffey. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.

Mayor McGaffee directed the meeting to the committee reports:

Planning & Zoning

There was nothing to report.

Finance

The board members were given a copy of the Profit & Loss Budget vs Actual for the General Fund & Water and Wastewater Fund.

Preparations are being made for the FY2017 budget. Proposals will be given to the board and will be reviewed at the next planning meeting. The board was given information for a possible property tax increase.

Law and Order

The town hired a part-time police officer last week.

TOWN OF CUMBERLAND GAP
BOARD OF MAYOR AND ALDERMAN
MARCH 7, 2016
PAGE 3 OF 4

Historical

There was nothing to report.

Streets

Phillip Waller is looking into the cost to install on drain on Ashton Drive.

Parks and Recreation

There was nothing to report.

Tourism/Events

Upcoming Events included:

March 19, 2016- Cumberland Mountain Music Show

April 9- 11, 2016- Cumberland Gap Quarter Release Ceremony

The Cumberland Gap National Historical Park will be hosting a ceremony for the Cumberland Gap, Kentucky Quarter Release. Activities will take place at the National Park Visitor Center during those three days.

April 30, 2016- Crazy Aunt Sadie's Yard Sale and Pancake Breakfast hosted by the Cumberland Gap Volunteer Fire Department

June 3- 4, 2016- Cumberland Gap Art Days (hosted by the Artist Co-op) and the White Lightning Trail Festival

June 9- 11, 2016- Genealogy Jamboree

John Ravnum acknowledged the passing of John Adams, who was one of the organizers of the Genealogy Jamboree. Adams was a pillar of the community and will be missed. Mayor McGaffee has spoken with the other event organizer, Mark Treadway, and was told the event will take place as planned.

May 21, 2016 – Artist Co-op will be hosting a fundraiser in Festival Park. More information will be announced next month.

Water

One leak was found and will be fixed when weather allows.

The water loss went up from 52% in January to 56% in February.

Ray and Jesse is actively looking for leaks.

Sewer

New Do Probes (dissolved oxygen probes) are needed at the sewer plant. By purchasing new ones the town can save \$1,000 per month on the electric bill.

Chuck Coffey made a motion to purchase new probes, with a second by Phillip Waller. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan

TOWN OF CUMBERLAND GAP
BOARD OF MAYOR AND ALDERMAN
MARCH 7, 2016
PAGE 4 OF 4

Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.

Fire Department

Fire Chief, Brandon Wilkinson, expressed his condolences for the passing of John Adams. The department plans to put up some type of memorial, at the fire department, in recognition of Adams. Details will be announced when determined.

The department will be installing free smoke alarms this spring. Interested residents are urged to call town hall to be put on the schedule.

OSHA Safety Director

There was nothing to report.

Litigation

A court date for past due sewer accounts is scheduled for March 16, 2016.

Mayor McGaffee called for OLD BUSINESS.

There was no Old Business.

Citizens Comments

John Douglas came to the planning meeting on February 29th and spoke concerning the flooding on Brooklyn Street. He requested the town contact the Army Corps of Engineers about the possibility of dredging the creek. Mayor McGaffee called last week but no one has returned his call.

Mayor McGaffee called for NEW BUSINESS:

Both items under New Business, Audit Report & Flooding on Brooklyn Street, has already been addressed.

Announcements

Planning Meeting- Monday March 28, 2016 @6:00 pm

Town Hall will be closed on Thursday, March 31, 2016 (continuing education class)

Mayor McGaffee commended Jerry & Phyllis Hopson and Linda McGaffee for all the hard work and excellent job done on town hall.

With no other business to come before the board, Jerry Hopson made a motion to adjourn, with a second by Susan Bain. Mayor McGaffee called for a roll call vote. Board members voted as follows: Susan Bain-yes; Chuck Coffey-yes; Teresa Fuson- absent; Jerry Hopson -yes; John Ravnum-yes; Phillip Waller-yes.