

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, APRIL 27, 2009
7:00 PM

Mayor Randy Voller called the meeting to order at 7:00 p.m. and called for a brief moment of silence, asking that those slain in Carthage during a recent attack at a rest home be remembered.

ATTENDANCE

Members present: Mayor Randy Voller, Commissioners Pamela Baldwin, Gene T. Brooks, Clinton E. Commissioner Bryan, III, Hugh Harrington, and Chris Walker.

Staff present: Town Manager Bill Terry, Town Clerk Alice F. Lloyd, Attorney Paul S. Messick, Jr., Planner David Monroe, Assistant Planner Paul Horne, and Finance Director Scott Borrer.

APPROVAL OF AGENDA

Motion made by Commissioner Walker seconded by Commissioner Baldwin to approve the Agenda as submitted by the Manager.

Vote Aye-5 Nay-0

CONSENT AGENDA

The Consent Agenda contains the following items:

1. Approve minutes of the April 13, 2009 regular meeting.
2. Letter of Support and Sympathy to the Mayor and Board of Commissioners of the Town of Carthage, NC.

Commissioner Harrington stated that on page 21 of the April 13 minutes, it read "...one option would be to change from free chlorine to chlorine..." and what it should say was "...free chlorine to chloramines...". He said on page 2, he asked a question which said "...that they could go to 24/7 using that more complex chemical mix..." and what it should say was "...that they should go to 24/7 before using that more complex chemical mix...".

Motion made by Commissioner Harrington seconded by Commissioner Walker to approve the Consent Agenda with corrections to the April 13, 2009 minutes as noted.

Vote Aye-5 Nay-0

Commissioner Brooks read the following letter into the minutes, addressed to the Mayor and Board of Commissioners of the Town of Carthage, NC:

Honorable Mayor and Commissioners:

The Mayor and Board of Commissioners of the Town of Pittsboro, North Carolina would like to offer our support and sympathy to the Town of Carthage for the recent tragedy your community has experienced.

It is impressive and speaks volumes about your town in the way it has come together; its people, leaders, staff, and churches to help one another.

We would especially join everyone in honoring Officer Justice Garner and Citizen Michael Cotten for their heroic actions on that terrible occasion.

There is simply no way that words alone can praise Officer Justin Garner adequately.

The remarkable courage of Michael Cotten who chose to give up safety to warn staff and assist Officer Garner makes him a hero too.

Our condolences to the families who lost loved ones and to all who grieve over the tragedy.

Thank you Carthage and Moore County for giving all of us examples of courage and compassion.

Sincerely,

Town of Pittsboro
Mayor and Board of Commissioners

REGULAR MEETING AGENDA

Citizens Matters

Max G. Cotten, 133 Pittsboro School Road, thanked the Board for continuing to oppose the transit service, noting that tax dollars would be better spent on local streets and construction of sidewalks. He said that he was disappointed that the Board had not reappointed Mr. Sugg as Chair of the ABC Board since Mr. Sugg and the other ABC Board members had turned things around and made the ABC Store a profitable venture. Mr. Cotten asked that his letter to Mr. Terry dated April 24, 2009 be entered into the record of this meeting, as follows:

Re: 3M Project
Dear Mr. Terry:

As a citizen and former commissioner I am greatly concerned about this project and its potential related problems for Pittsboro.

Problem 1 – Cost.

Total of Contracts -	\$1,907,649.25
8% Engineer Inspection Fees	<u>152,611.92</u>
Total Cost	\$2,060,261.17

There will be additional cost if change orders are necessary such as blasting of rock.

Problem 2 – Pittsboro calling for bids. The spirit of NC Law requires that funds are available before bids are requested. This was not the case in this instance so far as Pittsboro is concerned.

Problem 3 – Bids are no longer valid if bidders insist on usual length of time for acceptance or rejection. In either case the credibility of the Town of Pittsboro will suffer in dealing with bidders on future projects.

In my opinion this matter should be relinquished to Chatham County and 3M since – except for a few hundred feet of pipe – the majority of the project is outside Pittsboro corporate limits and will benefit only 3M and Chatham County.

Respectfully,
Max G. Cotten

Mr. Cotten said no matter the outcome of the vote on May 5 regarding liquor by the drink, they were going to have some challenges, particularly that the Town had no ordinances that would govern the type of activities that would be permitted should the referendum pass. He said it would impact the Town's budget as well. Mr. Cotten said he had no political agenda and announced that he would not seek election to any office in November.

Commissioner Harrington said he had attended the Asheboro Board of Commissioners meeting just after their referendum, and Mr. Cotten was correct that ordinances would need to be considered if the referendum was successful, just as Asheboro had. He said perhaps they should begin to consider what those ordinances would be so they would be prepared.

Mayor Voller asked beyond beer and wine that was already covered, were there other ordinances that the Town would need to prepare for. Mr. Messick said nothing that was readily apparent at the present time. He said he would look over the licensing fee ordinance and try to determine if others might be necessary.

Commissioner Harrington said he believed they already had open container laws and the like already on the books, noting he was curious if there would be others the Board would need to consider. Mr. Messick said he knew of no issue that would cause an ordinance change.

Mayor Voller said he had attended a Main Street Workshop in the past and an item that came up was when you had mixed beverages along with night clubs, you would want to have a Town nuisance ordinance that would actually address any associated problems with such establishments.

Commissioner Harrington said actually he believed that was one of the ordinances Asheboro had used, which established distances away from churches, schools, and others that such businesses had to be. Mr. Messick said that the Ordinances already covered restaurants that served beer and wine, so that issue may already be addressed.

Mayor Voller suggested that Commissioners write to staff to ask those and any other questions.

Commissioner Brooks said it was his understanding that a certain percentage of sales in such establishments had to come from food, and that owners could be held responsible if the owners

allowed alcohol to be served to those who should not be served. Mayor Voller said the rules as he understood them was that to have liquor by the drink an establishment was required to have at minimum 36 seats and 30% of revenue had to come from non-alcoholic drinks and food.

Commissioner Brooks said if a family patronized an establishment that served mixed drinks, was there any law that spoke to that. Mr. Messick replied that much of that was addressed in the State-wide ABC regulations.

Mayor Voller said that some establishments separated the bar area from the restaurant area but others did not. He stated all of those points were good ones and was glad Commissioner Harrington had asked those questions so they could get ahead of the curve should the referendum pass.

Mayor Voller said regarding the letter Mr. Cotten had entered into the record, he asked what was meant by the “spirit of the law.” Mr. Messick said that related to the execution of the contract. Mayor Voller asked was Problem 3 as noted in the letter a legal issue. Mr. Messick said it was his understanding that the bids on the 3M project remained valid, even considering the delay.

The Board agreed by consensus to allow Mr. Cotten’s letter to be made a part of the record.

Thomas L. “Snuffy” Smith, 530 Sanford Road, said he wanted to bring attention to the Town Lake, noting the upstream especially from the 902 bridge to the Old Goldston Road bridge needed restoration and the lake itself needed some work. He said the spillway had washed out several years ago so the Town Lake was down about 18 inches. Mr. Smith said there had also been some silt that had settled.

Mr. Smith said several years ago a group of NC State students had done a “what if” project using the Town Lake as the subject, and had asked what would happen if the lake was done away with and they tried to return it back to what it was before the area had been settled. He said that study had garnered the attention of a group who had contacted him to ask for his help in destroying the Town Lake, which he had refused to do. Mr. Smith said that group had told him that they had talked to the Town Board who had indicated they “did not care” what happened to the lake. He said they had gone on to say that State taxpayers were spending close to a half-million dollars to study the Town Lake and the creek, as to what went into it and what went out of it, and if it was decided to destroy it the cost would be astronomical.

Mr. Smith said if they kept the Town Lake and the park, they would have the amenities provided by the lake and the park, as well as the lake as a water supply in case of drought or contamination of other water supplies. He said if just a little work was done the Town Lake would be viable, but if it were destroyed it would be costly. Mr. Smith said there would be those who would say that they would not be destroying the lake but only restoring the creek, but he disagreed. He said should the lake be destroyed, then all those acres would then grow willow and other food that fed the deer that were already causing problems for the Town. Mr. Smith closed his remarks by asking the Town Board to please save the Town Lake.

Commissioner Brooks said he did not know who had said the Board did not care about the Town Lake, but it was not true. He said the Town Board had supported efforts to improve the lake for many years, noting that the \$465,000 in grant funds that had been targeted for the lake had now been withheld by Governor Purdue due to the State's budget crisis. Commissioner Brooks said they were interested in that lake, noting that Karen Hall had headed up a group made up of about 25 various organizations including soil conservationists and the Agricultural Extension Division who were interested in the long term viability of the lake. He said he agreed they needed to do something about the lake. Mr. Smith said he had not believed the Town Board did not care about the lake, and thanked Commissioner Brooks for his remarks. He offered his help in saving Town Lake.

Planner David Monroe said that Karen Hall had in fact led the team that studied the Town Lake and park, and the engineers associated with that study developed three options for the Board to consider. He said one option was to do nothing, one was to restore the lake completely, and the third was a passive restoration which was the one the Board had chosen. Mr. Monroe said that information had been used to apply to the Clean Water Management Trust Fund for grant funds, and two days before that funding was due to be released to the Town the Governor had put that funding on hold and transferred the funds into a separate account. He said his information was that the money was not gone but was on hold, so there was a possibility the funds would be released depending on how the stimulus money was spent by the State.

Commissioner Harrington said the intent of that funding was not to destroy the lake but to restore it in certain parts to a meandering stream which actually had water treatment properties. He wondered if that was why some had gotten the impression they were going to destroy the lake. Mr. Monroe responded that was probably accurate, adding that the lower lake would be channelized and would be surrounded by constructed wetlands that would provide water filtration and duck weed would be removed to prevent algae blooming. He said that the upper lake would continue to be improved with silt removal, which would improve the water quality since it would flow more freely rather than being stagnant.

Commissioner Walker asked Mr. Mr. Monroe if that option was chosen because the other option was a multi-million dollar option. Mr. Monroe said that was correct, and it also had a very low probability of being funded.

Commissioner Harrington said the chosen option would also achieve some of the needed water treatment that was viewed as favorable.

Assistant Planner Paul Horne said that some money was still available for some clearing, such as invasive species clearing. He said they had also just secured a \$1,000 grant from the County for erosion control where the tributary fed into the lake, noting they were installing a new culvert with new plantings along the boardwalk. Mr. Horne said they had also applied for a \$5,000 grant for the parking lot at Diane Street, for two short trails, adding a number of benches and trash cans, and to repair the existing trail. He said he felt confident that they would receive the \$5,000 grant, so they were definitely making efforts to improve the lake.

Mayor Voller said he would assume that the Town and the Parks and Recreation Board and other interested parties would work with surrounding landowners to try to find reconciliation to the issues. Mr. Horne said they were always willing to hear any citizen's comments.

Mayor Voller encouraged Mr. Smith to attend a Parks and Recreation Board meeting to bring those issues to the forefront of their attention. Mr. Smith said he would be happy to do so.

OLD BUSINESS

1. Manager's Update on Capital Projects.

Mr. Terry provided the following updates:

- ◆ Disinfection Byproducts Reduction Project – The public notices for the transition to chloramines have gone to the printer, and they expect them to be ready for distribution on Friday, April 17. The work on the water plant was essentially completed and they were on schedule for the transition to chloramines on about May 18, 2009.

Commissioner Harrington asked if they were staffed at 24/7. Mr. Terry replied they had hired the additional person so they now had enough people but two of those staff was not yet licensed. He said one was scheduled to sit for licensing in May and if all went well they would be prepared to then go to 24/7 operation. Mr. Terry said both would be certified but only one was needed now. Commissioner Harrington said so the plan was to go to 24/7 operation at about the same time they went to chloramination. Mr. Terry said that date could be adjusted if necessary.

Mr. Terry continued his update:

- ◆ Short-term Wastewater Treatment Plant Improvement Project – They had received the 60% plans and specifications and were under review by key staff members. They were on schedule to bid the project in the summer.

Mayor Voller said then that project could potentially be put in the second round of stimulus funding. Mr. Terry said they were pursuing multiple avenues of possible funding, including working with two local developers, possible stimulus funding, and the USDA Rural Development Office who had urged them to apply for funding.

Mr. Terry continued his update:

- ◆ Credle Street Basin Project – That project had been submitted for stimulus funding, and believed the State would soon be announcing how the stimulus funding would be used.
- ◆ 3M Reclaimed Water System Project – They had met with Hobbs and Upchurch last week to review final funding for the project and he had signed the authorizations to award the bids, all three of which were awarded on April 14.

Commissioner Harrington asked about the role of Hobbs and Upchurch. Mr. Terry said they were one of two engineers working on the project, and had helped with the grant application.

Commissioner Baldwin said in reference to the wastewater treatment plant construction, according to the last update Hobbs and Upchurch was supposed to be distributing 18 copies of

the EIS, and asked had that been done. Mr. Terry responded that the EIS was at the State at present, and the various State agencies had 45 days to provide comments. He said he expected them to use every one of those 45 days, and he believed they would hear something by mid-May.

NEW BUSINESS

1. Fiscal Year 2009-2010 Manager's Recommended Budget.

Mr. Terry began by thanking staff for their hard work, noting he had required early submission of information and appreciated their efforts. He also thanked Scott Borrer, Finance Director for his contributions in helping with revenue projections and particularly in terms of the CIP, Town Clerk Alice Lloyd for her usual good work and competence in putting things together, proofreading and catching others' mistakes, and all the Department heads for responding promptly to requests or clarifications. Mr. Terry stated a good job had been performed by everyone and they now had a good document before them.

Mr. Terry said a budget calendar had been provided and the Board had some options regarding the scheduling of budget work sessions. He said options included May 4 and/or May 18, or neither if not needed, and the required public hearing was tentatively scheduled for May 11, but it could be done on some other agreed upon date. Mr. Terry said he had targeted June 8 for adoption of the budget.

Mr. Terry provided the following comments on the Manager's Recommended Budget:

- ◆ General Fund budget was actually 2.3% less than the General Fund budget for the current year.
- ◆ Enterprise Fund budget was up about 2.1% from the current budget, due in part to the additional position added.
- ◆ They expected to return a General Fund surplus from the current year budget of about \$228,000.
- ◆ That \$228,000 return to Fund Balance would be eroded somewhat by a shortfall in revenues of \$103,000, so there was a net gain of about \$97,000.
- ◆ Enterprise Fund would also return a surplus of \$242,000, but since the revenue shortfall exceeded the surplus there would be a loss in the Enterprise Fund of about \$37,000.
- ◆ Due to revaluations, the 2009-2010 tax valuations were up by \$75,105,171, or 23.2% over the current year. The Board had asked for a revenue neutral budget, defined as a tax rate that would result in the collection of the same amount of ad valorem taxes as the prior year, plus a 2.5% inflation factor. As a result, the recommended tax rate was \$0.302 per \$100.00 assessed valuation, with one cent on the tax rate generating approximately \$39,878. The average citizen would see about a \$12.50 increase property taxes.
- ◆ For 2009-2010, it was anticipated that the economic downturn would continue with revenues being down about 3.2% or \$64,000. For the General Fund, they were collecting 2.5% more in ad valorem taxes which was about \$28,400.
- ◆ Utility franchise taxes were up \$26,300, or 33.4%.
- ◆ ABC Store revenues were up \$24,000 from zero the prior year.

- ◆ Solid waste rate adjustment made last year had worked in their favor, and lower fuel prices had allowed for a revenue increase of about \$25,000.
- ◆ Revenues that were down significantly include: local government sales taxes down by \$70,800, or 15.5%, interest earned on investments down by \$40,000, or 57.1%, and Powell Bill revenue of \$12,000, or 10.9%.
- ◆ To balance the recommended budget, a transfer of \$58,016 would be required from the General Fund balance.

Commissioner Walker said he believed Mr. Terry had said earlier that the \$228,000 return to Fund Balance would be eroded somewhat by a shortfall in revenues of \$103,000, so there was a net gain of about \$97,000 revenue. He said in actuality the surplus would be only about \$130,000. Mr. Terry said netted out that was correct.

Mr. Terry provided comments regarding General Fund expenditures:

- ◆ Expenditures were down \$64,210, or 2.3%.
- ◆ Personnel costs were up due to the recommended pay adjustments by \$70,062, or 5.3%.
- ◆ Capital equipments expenses were down significantly by \$128,877, or 76.8%, through deferral of some capital equipment requests to future years.
- ◆ Fuel costs were down by \$17,680, or 22.5% due to more moderate fuel prices.
- ◆ Pay adjustments, viewed as important for recruitment and retention, were recommended in order to remain competitive with neighboring communities. Recommendation was for police officers a 2.5% merit increase on their anniversary date and a 5% cost of living increase. For all others not police officers, the recommendation was for a merit increase 2.5% on their anniversary date, and rather than a cost of living increase that an additional 2.5% 401k contribution be made, bringing the 401k contribution to 5% total. The total cost of that 2.5% increase in 401k contributions for all employees would be about \$34,000.
- ◆ Total health insurance costs were up 9.6%, or \$12,978 due in part to the addition of new employees and an anticipated 5.2% increase in the cost of coverage.
- ◆ Professional services were up only about 1%, or \$4,485. Solid waste services costs would remain about the same due to moderation in fuel prices. Last year the Planning Department Budget included \$85,000 in professional services for various consultant-based projects including land use planning, recreation planning and a pedestrian plan. Those funds had been retained in the 2009-2010 budget for consultant services to begin the process of developing a Comprehensive Plan, which was one of the Board's high priority items. The fire protection contract was up \$7,785, or 2.7%.
- ◆ Automotive supplies were down \$17,680, or 22.5%, due to moderating fuel prices.
- ◆ Capital equipment requests were down \$128,877, or 75.2%, from the current year.

Mr. Terry provided the following comments regarding the Enterprise Fund revenues:

- ◆ Interest earned on investments was down \$25,000, or 45.5%, due to lower interest rates as well as a reduction in Fund Balance.
- ◆ Water revenue, using the new water rate schedule, would increase about 2.6%, or \$30,000.
- ◆ Sewer charges, using the new rate schedule, would be up about \$105,000, or 12.2%.

- ◆ The base budget for the Enterprise Fund does not include a contribution from the Fund Balance. The new rate schedule recommended would mean that rates were set at a level that they would not need to take money from Fund Balance to balance the budget.
- ◆ Despite the rate correction during the current year, they anticipate a shortfall of \$260,500 at the end of the current fiscal year. In order to bridge that gap, it would be necessary to consider substantial water rate increases. The recommendation was for an increase in the Basic Charge by \$2.00 for water and \$2.00 for sewer for in-Town customers and \$4.00 for water and \$4.00 for sewer for out-of-Town customers. Also proposed was to raise the cost per gallon rates by 17% across all rates.
- ◆ Regarding other fees, the bulk water fees would remain the same at \$100 per 10,000 gallons. Water Access fees would go from \$5.50 per gallon to \$5.80; sewer would go from \$10.00 to \$10.50 per gallon. Water Capital Recovery fees and Sewer Capital Recover fees would increase by 5% to account for inflation and to help defray the cost of upcoming utility system renovation and expansion projects. Meter fees were recommended to increase in the fee for a ¾ inch meter from \$250 to \$265.

Mr. Terry provided the following comments regarding the Enterprise Fund expenses:

- ◆ Expenses were up \$46,295, or 2.1% from the current year. Key components included a \$132,177 increase, or 7.2%, in personnel expenses. About \$33,500 of that increase was due to pay adjustments, and the remaining \$98,600 was due to fully funding three positions added in 2008-2009 including a Lab Technician, a Utility Systems Mechanic, and one new Water Plant Operator. Plant maintenance costs were up \$28,000, or 29.5%, in order to accommodate the increased emphasis on routing operational maintenance and preventive maintenance programs. A \$46,000 increase in laboratory supplies was partially offset by a \$34,300 decrease in contracted laboratory testing.
- ◆ Capital expenditure accounts were down \$117,972, or 57.8%. A Capital Outlay-Buildings was recommended of \$430,000 for the purchase of high-value and long-lead-time repair parts designated as “insurance items.” Capital Outlay-Equipment was down \$89,927, or 63.8%, due in large part to a redefinition of that line item. The request for system improvements was reduced by \$18,000 (100%) and shifted that element to the Capital Improvements Budget. Also reduced was the Public Utility Contingency account by \$40,000 based on the historical inactivity in this account.
- ◆ Pay and benefits provisions noted under the General Fund expense section would also apply to employees in the Enterprise Fund. Estimated surplus at year end was \$222,903; however, the anticipated revenue shortfall of \$260,489 would result in a net shortfall of \$37,586 for the fiscal year. Major contributors to that \$222,903 surplus were personnel expenses of \$65,580, supplies of \$29,495, contract services of \$22,800, lab testing of \$17,500, and capital expenditures of \$89,937.

Mr. Terry provided the following information on other Funds:

- ◆ The Capital Reserve Fund for the General Fund was essentially inactive with revenues limited to about \$500 in interest on investments.
- ◆ Despite the current development moratorium, they were expecting some revenues in the Capital Reserve Fund of the Enterprise Fund. In addition to about \$160,000 from water and sewer access fees, about \$400,000 was anticipated from developers interested in supporting the Wastewater Treatment Plant Improvement Project.

Finance Director Scott Borrer provided comments regarding the Capital Improvement Plan. He said that it reflected a five-year plan for capital projects in excess of \$50,000 that were generally related to essential needs of the community. Mr. Borrer said if and when they had the need to finance projects, one of the first things the LGC would ask was if a CIP budget was in place, so it was an essential document. He added that the CIP was a planning document that should be looked at throughout the year and used as a planning tool.

Mr. Borrer said at the present time they had identified 25 projects totaling just under \$50 million, including the 3.22 MGD Plant. He said obviously the question became how to fund those projects, and funding options had not been noted at the present time because those discussions needed to take place as they moved forward. Mr. Borrer said Pittsboro was fortunate enough to have the chance to receive up to \$5.5 million in grants, but stated during long-term planning you could not count on those kinds of funds.

Mr. Borrer said obviously they would not be able to determine how to fund 25 projects over the next five years totaling \$50 million during the current budget process, but they wanted to present the list of projects to begin the discussion after the budget. He encouraged the Board while going through the budget process to identify ways to fund some of the projects using such resources as capital reserves, and to perhaps set some policy or funding mechanism in place that would automatically set funds aside during each budgeting process. Mr. Borrer suggested that could be a couple of percentage points of their revenues that would be set aside in reserve funds to fund projects, which would allow them not to have to depend solely on financing projects in the future.

Mr. Borrer said the CIP may appear somewhat “scary” for a Town the size of Pittsboro, but again it was a planning tool and planning document subject to change at the Board’s discretion.

Commissioner Harrington said there were quite a few projects in the CIP that were proposed for 2009-2010. He asked how much of that did he believe they could actually achieve. Mr. Borrer said the total for 2009-2010 was \$8.5 million, and a majority of them were projects currently being considered for grant funding. He said hopefully much of that would come through, noting they should hear about a lot of it before the end of the budgeting process. Mr. Borrer said if the funding was not received then the projects would of course be pushed out to another year. He suggested if it looked like a project could not be funded during the scheduled year that it not be eliminated but pushed further out in the CIP.

Commissioner Harrington said he had wanted to put on the add-on list the Community House improvements and some bathroom facilities at the new park, which were now shown on the CIP. He asked should they be satisfied that those projects were on the CIP, or if they were to say they wanted to do them now would they be taken off the CIP and put on the add-on list for a specific budget line item. Mr. Borrer said the dollar threshold was what prompted a project to be put on the CIP versus the operating budget, and that threshold was \$50,000.

Commissioner Harrington said the way he looked at it was if they got the money they would do it, particularly the smaller projects. He said his question was if the Board definitely wanted to

fund a project, would it go on the add-on list and they would vote on it as a line item. Mr. Borrer said that was correct. He said anything on the CIP would in theory have to come back to the Board for approval, even if the CIP were adopted as part of the budget.

Mr. Terry said they were still sorting out the mechanism for the CIP, noting that the budget ordinance would contain a section for the CIP which would actually appropriate money for projects that the Board decided it wanted to fund. He said at the budget work sessions the Board could provide detail as to what they wanted to fund or not fund in the upcoming budget.

Commissioner Walker said what might be helpful to the Board would be another column added to the CIP summary that indicated from where funding might be found to pay for the projects. He said that would help the Board to understand where funds might flow from. Commissioner Walker said for instance, would the Oakwood Drive culvert replacement project be General Fund as well as Powell Bill? He said that was the kind of information that might be helpful.

Mayor Voller agreed that would be a good idea, noting he believed that stormwater projects could be funded with Powell Bill funds and asked staff to confirm that.

Mr. Borrer said the two projects numbered 21 and 22, the Wastewater Clarifier and the Wastewater Forced Main, on the CIP were projects that needed some discussion. He said during a recent meeting they had learned that of those two projects that either one or the other would be pursued so eventually one of them would come off the CIP.

Mayor Voller asked had they ever gotten any information on the mag sep, noting they had been connected to their plant now for a year. He asked did they have anything after allowing them to do that. Mr. Terry responded he had had no success in getting any kind of report from that organization. Mayor Voller said it was a group associated with Duke and others. Mr. Terry said they had asked to be allowed to use Pittsboro's plant as a test site, and he had received no information other than what he classified as a sales pitch. He said no documentation had been forthcoming.

Commissioner Walker asked was their equipment in any way a hindrance to the Town. Mr. Terry replied no. Commissioner Walker asked at what point the Town said say thanks but no thanks. Mr. Terry said their concept was very interesting and he would like to see a report, but even though he had pressed on at least two occasions for a report that showed results he had received only verbal responses.

Mayor Voller responded the thing about it was that it was a technology that would require a municipality to allow someone to do the testing, and was sure that they were trying to raise capital for it. He said it could potentially be a business, and if that group were to reach out to Chatham County or look for funding from sources such as the EPA, then instead of the Town spending \$1 million on a clarifier and since this equipment did the exact same thing, then why not get them in a room, get a report, and see what could be done.

Commissioner Harrington said at some point they needed to know the engineering specifications of what it would do and at what rate. Mr. Terry said he had gone to the extent of asking them if

they wanted to be a part of the solution for the wastewater treatment plant, and they said they were already getting some water applications. He had invited them to attend a meeting with Sterns and Wheler and John Brinkley to see if their technology could be integrated into the wastewater treatment plant renovation in a meaningful way, and that if they could convince the engineers at Sterns and Wheler then they would be welcomed with open arms. Mr. Terry said the response he had received was less than enthusiastic.

Commissioner Harrington commented that was a good opportunity for them, so he was surprised.

Mayor Voller asked what exactly had been their response. Mr. Terry said they were concerned that their proprietary information would be compromised and others would steal their idea.

Mayor Voller said then it was not patented. He said he had talked with that group before and other engineers, noting there was an established way of doing those kinds of things and engineers were not necessarily going to be interested in adopting new technologies because they were not working with that technology. Mayor Voller said he believed that since the Board had allowed them to do the testing that the Board should be able to see the results.

Commissioner Harrington said it wasn't Sterns and Wheler who had said no, it was that group who refused to participate or share information.

Mayor Voller said he would like to meet with them to determine if their technology was even a possibility. Mr. Terry responded he had not received anything in writing, that all communications had been oral.

Commissioner Walker said if the Town incorporated it, then fine, but they had to show the Town their report.

Commissioner Baldwin said in as much as they had let them use the water plant the Town deserved some response to that request for information.

Mr. Terry said that concluded the presentation on the CIP, and said he wanted to call the Board's attention to the fact that no funding was included in the budget to support the CIP. He noted that an Add List had been included as supplemental information, which included items the Board had expressed an interest in. Mr. Terry said including any of those items would require an appropriation from Fund Balance, noting that the estimated cost had been included in the description of the items.

Mr. Terry called attention to the bar graph on page 40 that tracked water and sewer revenues by month, noting that the last three months were estimates of what they expected based on prior years. He said he felt comfortable with the mathematics of that model, and that in order to get their revenues where it needed to be to cover expenses the blue bar on the graph which was water needed to be pumping at 100,000 a month and the green line which was sewer needed to be pumping at 80,000 a month.

Mr. Terry said there were a couple of typos he wanted to correct. He said in the second recommendation on page 9, the work session was recommended for Monday, May 5. He said it should read Monday, May 4. Mr. Terry said in the third recommendation, it recommended scheduling a public hearing on Tuesday, May 11, and it should be Monday, May 11. He said the recommendation was that the Board consider the Manager's Recommended Budget and provide him with guidance and direction on any required changes, as well as scheduling the budget work session for Monday, May 4 if needed. Mr. Terry said the last recommendation was that the public hearing be scheduled for Monday, May 11.

Commissioner Walker asked for clarification, noting that on page 7 regarding the Enterprise Fund revenues, it said that "Enterprise Fund revenues were up \$46,295 from the current year original budget." He asked did that mean that the 2009-2010 budget projected revenues to be \$46,295 higher. Mr. Terry said that was correct.

Commissioner Walker said this was a lot of information to digest in a short period of time, and would personally like to have a workshop on May 4. He said he would like the opportunity to go through the recommended budget and discuss it during the workshop.

Commissioner Harrington agreed, noting he believed that discussion would be more appropriate for a workshop, although he would prefer no meeting next week. Mr. Terry said the public hearing could be pushed out a week or so. Commissioner Harrington stated he was on vacation next week and would prefer not to have to come back for a meeting. He asked did they have the capability of allowing a phone conference so he could participate if the meeting was held on May 4. Mr. Terry said they could likely figure it out.

The Board briefly discussed the possible dates for a workshop as well as the public hearing.

Mayor Voller suggested that as the Board looked over the recommended budget document that they email Mr. Terry with questions or concerns so that he would be prepared for the public hearing on May 18, unless there was some reason they wanted to have two meetings. The Board agreed by consensus. Mr. Terry said he believed adhering to that schedule would allow them to bring the final budget to the Board on June 8 for adoption.

Commissioner Brooks said he would assume that there may be some negotiation on some of the recommendations.

Motion made by Commissioner Walker seconded by Commissioner Baldwin to schedule a public hearing on May 11 at 7:00 p.m. on the Manager's Recommended Budget and to schedule a budget work session on May 18 at 6:30 p.m.

Vote Aye-5 Nay-0

Mayor Updates

The Mayor offered no updates at this time.

Commissioner Concerns

Commissioner Harrington said the Board had a draft contract on Springdale in front of them, and hoped it would be accepted so they could put that behind them. He said that Mr. Terry's figures on the economic evaluation of the granulated activated carbon seemed to be high, but believed there was no excuse for them to ever have high THMs again if we can use powdered activated carbon. Commissioner Harrington said the County used that system and they got rid of their THMs, and the cost would only be for the hottest season and estimated at \$8,400. He said he understood it was messy and caused extra sludge, but believed they should have it ready to go as a contingency. Commissioner Harrington said if there was the slightest indication that it would be needed, then they should be ready to do it. He said for only \$70 a day during the summer, it was well worth it to have that safeguard.

Commissioner Harrington said he would be sending out an email to recommend and ask for the Board's support to provide funding for granulated activated carbon as a contingency should it be needed.

Commissioner Brooks offered his support to Commissioner Harrington's suggestion, noting he believed that carbon process would take other negative chemicals out of the river water as well as the THMs.

Mayor Voller said the Town had received a letter of support from the EDC, the Chamber, and CCCC regarding the Town's infrastructure projects.

Mayor Voller said he believed the Fairground Association wanted to work with the Town and perhaps the County to have fireworks at the Fairgrounds for the 4th of July celebration.

Commissioner Brooks said it had been quite a while since they had done the fireworks, noting he remembered an accident that had occurred where one of the fireworks had landed in someone's lap. He said the liability was likely just too great.

Mayor Voller said he had brought it up because he believed it was something the Board might want to consider, noting that there had been a lot of community comment about it and many municipalities and counties did participate in fireworks displays.

Commissioner Baldwin said she had looked at several companies and found the fireworks to be somewhat expensive, so if they participated they would certainly want the County and others to participate and share the expense. She said the companies had insurance to cover liability, and they were exploring the possibility of fireworks because of the number of people who had expressed an interest. Commissioner Baldwin said it was something that adults and children alike would enjoy, so it was something to think about at this point.

Commissioner Brooks said the reason it was stopped was because of the liability issues, but he was not on the Board at that time.

Mayor Voller asked if someone was attending the Main Street Workshop. Mr. Terry said the information he had received indicated that one elected official and one member of the community should attend. Mayor Voller said he had attended the workshops and had always believed that Pittsboro would be a good main street candidate. He asked if the member of the community could be a staff person. Mr. Terry stated he believed a good candidate would be Ms. Fesperman.

Mr. Monroe said tomorrow evening a public workshop was scheduled at Horton Middle School from 5 to 8 p.m. conducted by DOT regarding improvements to the US 64 corridor. He said he had also provided a bio to the Board which noted that on May 28 a program would be offered by Preston Development at Chatham Mills at 7 p.m. Mr. Monroe said the tickets were free but limited, and asked anyone interested in attending to contact him.

Commissioner Walker said that Mr. Monroe had been quoted this past week in the Triangle Business Journal regarding the US 64 corridor, noting he had sounded good.

Mayor Voller urged the Board to attend that program, and asked Mr. Monroe to reserve seats for the Town Board.

Commissioner Walker said he believed that a staff person could attend the Main Street Workshop in the community representative's place, and said he believed they should participate in that.

ADJOURN

Motion made by Commissioner Walker seconded by Commissioner Baldwin to adjourn the meeting at 8:47 p.m.

Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk