

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, JANUARY 24, 2011
7:00 PM

Mayor Randy Voller called the meeting to order at 7:04 p.m. and called for a brief moment of silence.

ATTENDANCE

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

Staff: Town Manager Bill Terry, Town Clerk Alice F. Lloyd, Town Attorney Paul S. Messick, Jr., Planning Director Stuart Bass, and Finance Officer Mandy Cartrette.

AGENDA

Town Manager Bill Terry stated that the Public Hearing for the Special Use Permit for Chatham Mills had been withdrawn by the applicant, so Item #4 under Public Hearings as well as Item #5 under Old Business should be removed.

Mr. Terry said as to Item #2 under Old Business, which was to consider permanently closing South Street, the applicant had requested that the Board proceed with the Public Hearing, Item #1 under Public Hearings, but not to take any action tonight.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to approve the Agenda as amended.

Vote Aye-5 Nay-0

CONSENT AGENDA

The Consent Agenda contains the following items:

1. Approve minutes of the January 10, 2011 regular meeting.
2. Designation of Authorized Signatories for Community Development Block Grant Requisition Forms for the Hillsboro Transmission Line Replacement Project.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to add a resolution recognizing the delegation from Pakistan that would soon be visiting Pittsboro as a part of the Department of State's International Visitor Leadership Program.

Vote Aye-5 Nay-0

RESOLUTION

WHEREAS, on January 28, 2011, a delegation from Pakistan will visit the Town of Pittsboro, North Carolina as a part of the Department of State's International Visitor Leadership Program; and

WHEREAS, the delegation will be learning about the principles of federalism and how they are implemented in the United States, the functions and operation of state government across the United States and the work of state legislators, and the connection to local government; and

WHEREAS, the delegation trip will familiarize them with mechanisms that promote transparency in ensuring public trust in the integrity and fairness of their government; they will observe the involvement of citizens, the media, and civil society organizations in local government, and observe the importance of their participation to ensuring transparency and accountability as well as experience American culture and society; and

WHEREAS, the Town of Pittsboro staff and its Mayor and Mayor Pro-Tem will be at the meeting to address any questions and concerns the delegation may have; and

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that we officially extend our greetings to the delegation from Pakistan and their local hosts from the International Affairs Council in Raleigh.

BE IT FURTHER RESOLVED that we hope their stay in our town and state will be memorable as well.

This the 24th day of January, 2011.

Mayor Voller noted that resolution was now included as part of the Consent Agenda.

Commissioner Harrington noted two corrections to the January 10 minutes. He said in the fourth paragraph under Citizens Matters on page 3, "Commissioner Harrington" should read "Commissioner Fiocco," and on page 21, fifth paragraph, "Commissioner Fiocco" should read "Commissioner Harrington."

Motion made by Commissioner Harrington seconded by Commissioner Brooks to approve the Consent Agenda as amended.

Vote Aye-5 Nay-0

A RESOLUTION WELCOMING A DELEGATION FROM PAKISTAN IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 7

A RESOLUTION DESIGNATING THREE TOWN OF PITTSBORO OFFICIALS AS AUTHORIZED SIGNATORIES OF CDBG REQUISITION FORMS FOR THE HILLSBORO TRANSMISSION LINE REPLACEMENT PROJECT IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 8

REGULAR MEETING AGENDA

Citizens Matters

Philip Culpepper, 100 Westbrook Estate, Cary, asked for the Board's consideration of a permanent preservation easement for 43 acres of Stinky Creek which would include not only the 43 acres but 3,457 linear feet and 2,378 linear feet of other creeks in the area. Mr. Culpepper said he had the second of two documents to provide to the Board regarding their mitigation plan. He said they were asking the Board to consider being the holder of the permanent conservation easement, and wanted some feedback from the Board as to their interest in that. Mr. Culpepper said if the Town was not interested, then they would elicit some other government agency such as Triangle Land Conservancy (TLC) to be the holder.

Commissioner Brooks said that that creek was well beyond the Town's ETJ, and asked if that was an issue. Mr. Culpepper said not that he was aware of, noting that when their development was completed they hoped to bring it into the Town limits.

Motion made by Commissioner Harrington seconded by Commissioner Fiocco to refer this request to the Town Attorney for research.

Vote Aye-5 Nay-0

Mr. Culpepper noted that once the land was preserved it could not be used for any other purpose, such as park space.

Thomas "Snuffy" Smith stated he owned commercial property at 435 Hillsboro Street and paid commercial water rates. He stated that he had obtained a record from the Water Department of his last 25 months of water usage, and had found that there had been only two months that he had used any appreciable amount of water. Mr. Smith said he was attempting to make the property viable, but that was difficult when he had to pay the commercial water rate of about \$40 per month. He asked the Board if it was possible to get a "construction" water rate or some other lower rate since he was using such a small amount of water each month and some months had used none. Mr. Smith said he also owned a house around the corner from the commercial property and it was unoccupied, but he was paying the monthly water rate for that unoccupied dwelling although no water had been used in the last 25 months. He said he had left the water on for his convenience as well as for fire protection.

Commissioner Harrington asked what in the past had defined a property as a commercial property, asking was it its use or just the zoning. Town Attorney Paul Messick said he was not sure the rates for either were different.

Mr. Terry noted that the meter sizes were larger for commercial properties.

Mr. Smith said another issue was that residents paid for their trash pickup along with their property taxes, but commercial properties paid it monthly. He said he was producing practically no trash at either property, noting that over the last two years he had had only four or five cans

picked up at both of his properties. Mr. Smith said at one point Waste Management had removed his trash can at both properties and he had gone three months without one.

Commissioner Fiocco asked if he had a dumpster. Mr. Smith replied no, that he had rented a dumpster when work was taking place to handle the debris.

Mayor Voller stated Mr. Smith had brought up some interesting issues, and stated he believed it should be referred to the Town Manager for further research. There was no objection from the Board.

Jim Nass, President of the Potterstone Village Community Association, stated there were 192 lots with 191 homes, with 190 of those homes occupied. He stated that the lot on the corner of NC 87 and US 15-501 was zoned R-10 and was immediately to the west of the lot the Board would be considering for rezoning from R-A2 to C2 tonight. Mr. Nass said that because of the survey work taking place on the property being considered for rezoning, the corner lot was being used as a storage area and parking lot for heavy construction equipment as well as sewage and septic treatment trucks.

Mr. Nass said the Association's concerns were that the lot was an eyesore and that there may be some safety concerns in regards to flammable liquids and gas and other hazardous materials being stored on the lot. He said they also had some anecdotal evidence that the appearance of particular propane trucks on that lot would be of concern to prospective homebuyers in Potterstone Village.

Mr. Nass asked why zoning was not being enforced on that lot, noting that from their reading of the Zoning Ordinance the uses taking place on that lot were not compatible with R-10.

Commissioner Harrington said what Mr. Nass was asking of the Board was enforcement of the zoning on that lot. Mr. Nass said that was correct.

Mayor Voller noted that Mr. Nass had brought up a good point, noting the property was on a major commercial highway and why it was zoned R-10 was likely a function of how it had been for many years. Mr. Nass said even if the zoning was changed to C2 it would require a Special Use Permit in order to store flammable liquids on the site.

Mr. Messick suggested referring the matter to Planning Director Stuart Bass.

Planning Board Chair Kenneth Hoyle said that at the last Planning Board meeting they had asked Mr. Bass to send a letter to the owner of that property stating that they were not in compliance with the Zoning Ordinance. Mr. Bass said the letter had not yet been sent but he had spoken to the owner of the property.

Commissioner Fiocco asked was it possible that this was a continuation of a nonconforming use. Mr. Bass replied not that he was aware of.

Mayor Voller asked that the Board receive a copy of the letter to the property owner when completed and that Mr. Bass follow up on the situation and to keep the Board informed. Mr. Bass agreed to do so.

Karen Hall, 4157 Alston Chapel Church Road, stated the Robeson Creek Watershed Council had worked for ten years to improve water quality along with its partners that included Pittsboro and Chatham County. She said the Town and the County understood the various water quality issues, noting that the County had some of the strictest environmental rules in the State.

Ms. Hall said all of the partners had worked hard to keep the creek clean, so she had been shocked to learn that the new Chatham County Judicial Center soon to be constructed had zero stormwater treatment plans. She said the Judicial Center would be perched above the floodplain of Robeson Creek, and stormwater would either run off down 15-501 or run off into the floodplain downstream for treatment in the floodplain. Ms. Hall said when she had questioned the County about why there was no stormwater plan, the response was because they were not required to have one. She said based on a technicality that was true, but that was wrong and everyone knew it was wrong.

Ms. Hall said she questioned if the development community had attempted such a thing would the response and the outcome have been the same. She said with the Judicial Center being built as a “green” facility she found it highly disappointing that the stormwater was so easily overlooked or eliminated altogether. She said she was told by the County that a new jail would be built on that site in the future and that stormwater would have to be revisited at that point. Ms. Hall said she had brought up the point to the County that considering the economy who knew when it would be possible to build a jail.

Ms. Hall said in the meantime, there would be untreated stormwater carrying pollutants from the streets, the buildings, and the parking lots that would roll down the hill into the floodplains of Robeson Creek and eventually to the creek itself. She said in her opinion that was moving backwards rather than forward, noting that was how things use to be done and they certainly knew better now. Ms. Hall said ultimately Pittsboro would still be responsible for dealing with that stream water destruction.

Ms. Hall said it was her hope that the Town and County officials would do what was right, not because they were or were not regulated to do so but because they understood how water quality affected everyone.

Commissioner Harrington asked why the County was not required to have a stormwater plan.

Mayor Voller asked what the timeframe was for the construction of the Judicial Center. Mr. Terry said it was his understanding that the County had a building permit.

Commissioner Harrington asked would the County have to come back to the Town for any reason related to the construction. Mr. Terry said not to his knowledge.

Mr. Hoyle said when the issue had come before the Planning Board it was discussed in great detail prior to approval, and the plan as approved did contain a stormwater retention plan.

Commissioner Harrington said he was saying that the plan the Planning Board had approved did contain a stormwater retention plan. Mr. Hoyle said that was correct. Commissioner Harrington said then the County had changed the plan and was now proposing construction without any stormwater retention.

Commissioner Harrington asked Mr. Messick to advise the Board if it had any recourse of holding the County to that original plan. Mr. Messick said he would look into that.

Commissioner Fiocco asked if Mr. Hoyle had stated that the plans originally submitted to the Planning Board indicated some stormwater management was designed into the project. Mr. Hoyle said they had been extremely concerned about the location of it and the fact that the County owned land across the creek. He said they had addressed it in terms of all the landscaping and had discussed it at three different meetings. Commissioner Fiocco said then the recommendation the Planning Board had made to the Town Board was to approve it with a condition that stormwater management be addressed. Mr. Hoyle said they had spent ten years protecting that stream and getting it up to Code.

Commissioner Brooks said he did not know what had happened in this instance, but this was not something new. He said as part of the County's permit they were also suppose to preserve historical properties and that did not appear to be happening either. Mr. Hoyle agreed, noting that was a condition of approval.

Ms. Hall said when the Judicial Center was first being discussed she had voiced her concern about stormwater, and the County had said the building would be green and that they would have good stormwater controls in place. She said she remembered specifically saying to the County that she was very pleased with that and it would be one less thing for the Watershed Council to worry about.

Commissioner Brooks said he had not remembered the architects talking about a jail eventually being built on that site, and asked if that meant they would be doing away with the jail at the Law Enforcement Center. Ms. Hall said she had been told by one of the County engineers that the County had plans to place a jail at the back of the new Judicial Center, noting the County Board had actually discussed that several years ago. Commissioner Brooks said he had no memory of that when the plans for that Judicial Center were presented to the Town.

Mr. Terry said he had been told by David Hughes with the County that putting a jail at the Judicial Center was a conceptual idea and that at some future time there might be a jail located on that property. He said there was nothing beyond a conceptual design at this point and was just something the County had contemplated and discussed.

Mayor Voller said he wanted to work and cooperate with the County, but it did bother him that federal, State, county or local governments would somehow exempt themselves from the same rules that they would require of private property owners. He said he believed they should be

modeling the behavior that they expected rather than exempting themselves from that behavior. Mayor Voller said since most of the funding for the Judicial Center was coming from USDA in the form of a guaranteed loan it would seem that USDA would expect the same thing. He said he hoped that this situation could be resolved in a reasonable fashion, noting it made no sense for them to obtain Clean Water Trust Fund money to go upstream and clean the water and then a half mile downstream it was being polluted. Mayor Voller said that government dollars were being used to clean the stream upstream, so why would the Town approve something downstream that the Town would be responsible for.

Commissioner Brooks said he believed that this would be in conflict with the new Jordan Lake Rules as well. Mayor Voller agreed, and asked Ms. Hall to keep Mr. Terry and Mr. Bass informed of any information she might obtain.

Catherine Deininger, 124 Goldberry Lane, Pittsboro, provided some information as to how the Stage 1 and Stage 2 stormwater program was related to Jordan Lake, noting that Stage 1 was for pre-existing development of stormwater. She said that had been included at the end of 2009 and submitted by Chatham County and Pittsboro and included education and identification of outfalls. She said as a part of Stage 1 all municipalities including the County would have to submit a stormwater program by September of this year, and that program had to include a stormwater ordinance for the Jordan Lake Rule area. Ms. Deininger said the State then had a year to review that and it would then be implemented in September of 2012. She said once that happened then the ordinances would be in effect and something like what Ms. Hall had described in regards to the Judicial Center would not be allowed.

Ms. Deininger said that Stage 2 came into play only if the monitoring that was done by the State up until 2017 showed that Jordan Lake continued to be impaired. She said if it went out of impairment and was all cleaned up, then Stage 2 would never happen. Ms. Deininger said if Stage 2 came into play, then that was when retrofitting would have to be done. She said those retrofits would be required to be done by the towns and the counties, and at that point the County would have to address the stormwater problem and retrofit a solution.

Ms. Deininger stated that Stage 2 was an accounting tool that would be used to show that reductions in nutrients were being made as required by the Jordan Lake Rules. She said that the Judicial Center would stand out because of its location, its proximity to Robeson Creek, and the fact that it was a government facility.

Commissioner Fiocco asked for more information about the accounting tool. Ms. Deininger said it was a tool that would be used for specific best management practices. She said if you installed a BMP on a site you could take baseline parameters for that bioretention area and figure out what its drainage area was and get numbers as to what reduction in phosphorus and nitrogen you would get because of that BMP. Ms. Deininger said you could then add up all the BMPs being implemented within your jurisdiction and figure out what reduction you were making. She said one of the things that Pittsboro had in its favor, because of the work that Karen Hall and the Robeson Creek Watershed Council had done, was that there were many small BMPs throughout the Town that would be included in that accounting. Ms. Deininger said anything done after 2001 could be counted to meet the reduction goals.

Commissioner Fiocco said then the accounting tool was looking at whether there were BMPs present. Ms. Deininger said it was looking at whether or not you had made reductions in nitrogen and phosphorus to the levels cited in the Jordan Lake Rules. Commissioner Fiocco asked would that be done by assuming the proper function of BMPs and allocating it that way, or was it actually sampling discharge. Ms. Deininger said it was not done by discharge; it was done by assuming proper functioning of BMPs. She said the stormwater programs that were developed also required documentation of how they would make sure the BMPs function properly.

Mayor Voller suggested that the Board refer the matter to Mr. Terry, Mr. Messick, and Mr. Bass. The Board agreed by consensus. Mr. Terry stated he would provide a follow-up report on February 14, 2011.

Mayor Voller said besides what Ms. Hall had brought up he was concerned that stormwater would run down into their outfalls. He said they already had I&I issues that they were spending Rural Center money to fix upstream.

Commissioner Harrington said they really needed to get the bioretention issue addressed. Ms. Hall agreed, noting that some treatment was better than no treatment particularly when talking about nitrogen. She said that the Clean Water Trust Fund had money available for stormwater separate from other issues that could help.

Mayor Voller said they needed to move forward with that and see what could be done that was sensible.

PUBLIC HEARINGS

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to enter into Public Hearing.

Vote Aye-5 Nay-0

1. Resolution of Intent to Permanently Close South Street.

Mayor Voller reminded the Board that the applicant had requested that the Public Hearing go forward but that the Board take no action.

Planning Director Stuart Bass stated that this was a request by Chatham County to close South Street to accommodate the construction of the Chatham County Judicial Center. He said that the area would be used as a pedestrian walkway for the project.

Commissioner Brooks said he remained unsure how much of South Street the County wanted closed. He said that South Street extended past the Water Department and extended in front of the Agricultural Department. Mr. Bass responded it was the area between Chatham Street and the property the County owned. Commissioner Brooks asked would it extend all the way to the Courthouse Annex. Mr. Bass replied yes.

Commissioner Brooks said there was parking in that area now, and many people preferred to pay their taxes in person rather than mailing them. He said it was already difficult to find parking in that area particularly on Court days, and it seemed to him closing the street would create a parking nightmare. Commissioner Brooks said he also did not understand where Cabell Regan's law clients were suppose to park, because Chatham Street was closed to parking. Mr. Messick stated that the existing building would be removed for a parking lot across from that, and there was parking near his office and by the Water Department office. He said that area would be for pedestrians but not for vehicles. Commissioner Brooks said then the parking in front of the Agricultural Building would remain. Mr. Messick replied yes, and more parking would be added.

Commissioner Fiocco asked if that law office was going to be sharing the parking. Mr. Bass responded it was his understanding the County was trying to purchase the property, and if that did not work out then there would be some kind of shared parking arrangement. Commissioner Fiocco asked if that was a part of their site plan approval. He said he was not seeing any driveway access being provided to the property so that needed to be dealt with, and if in fact that would not have access to the property then they needed to have parking.

Public Comments:

There were no public comments.

2. Adopt (State Approved) Riparian Buffer Ordinance & Amend Zoning Ordinance.

Planner Stuart Bass stated this is a part of the Jordan Lake Rules and was a State mandated ordinance.

There was general discussion regarding this item.

Public Comments:

Ms. Deininger said she wanted to make three recommendations that would make the buffer ordinance more usable and effective.

1. Apply the rules to the whole Pittsboro jurisdiction.
2. Allow stream classification to be based on in-site stream delineations on an as needed basis that can be determined by the Town. This is simply a continuation/expansion of a right that is vaguely given to the town in the current zoning ordinance for buffer areas in water supply areas.
3. Expand the perennial stream buffer to 100 ft. to provide for more disposal of concentrated flow. Right now a 100 ft. buffer is required in water supply areas for high density development.

Mayor Voller asked did she suggest this language for Mr. Bass to incorporate.

Mayor Voller said it would basically give the Town more flexibility.

Commissioner Brooks said that the Rocky River did not flow into Jordan Lake. Ms. Deininger agreed, noting that was exactly the issue.

Commissioner Fiocco said that part of the buffer rules would include the diffuse flow requirement, so they would ask that they not only adhere to the buffer rules but that they adhere to the stormwater management rules as well. Commissioner Fiocco said he believed he had heard Ms. Deininger say that those rules would supersede the Town's watershed ordinance. Ms. Deininger said those rules would replace that buffer.

Commissioner Fiocco asked Mr. Messick to provide some clarification, because the way he read it the rules said whatever was most stringent would apply. Ms. Deininger said you would have to question which one was most stringent. Commissioner Fiocco stated that the Town's ordinance already provided for a 100-foot buffer on perennial streams. Ms. Deininger said yes, in the watershed supply area. Commissioner Fiocco said they were talking about only a tiny sliver of the western portion. Ms. Deininger said you had the whole jurisdiction; you had the watershed supply rules that applied to about two-thirds of the area, and then the Jordan Lake Rules that covered everything except that small part that went into the Rocky River.

Mr. Messick said there was a portion in the western part of the Town that was not in the watershed supply area. Ms. Deininger said that was correct, noting, for instance, that CCCC was not in the watershed supply area.

Ms. Hall said she supported the amendments that Mr. Bass had made as well as what Ms. Deininger had added. She said she also appreciated the Town's partnership over the past ten years and everything they had done to help improve Robeson Creek.

Mayor Voller said it seemed that for enforcement and clarity of understanding as well as other reasons it would make sense to have one set of rules that covered the entire jurisdiction so that things were not misinterpreted. He said the end result should be consistency.

3. Rezoning of 65 Pittsboro Moncure Road from R-A2 to C2 (REZ-2011-01).

Mr. Bass said this property was located on the north side of Moncure Pittsboro Road approximately 170 feet southeast of the intersection with US 15-501, and was currently occupied by a vacant single-family residential structure. He said that the property was 35,414 square feet in area and the current zoning of R-A2 was proposed to be changed to C2. Mr. Bass said the C2 zoning along the intersection dated back at least to 1989 and there was also a parcel on the northwest corner that was zoned O-I.

Mr. Bass stated that the parcel was located in an area adjacent to or near to current C-2 zoning, and the location was subject to a relatively high traffic volume compared to other locations within the community. He said it was a reasonable location for a commercial use and would be

suitable for those uses permitted within the proposed district. Mr. Bass said for those reasons staff was recommending that the rezoning request be approved. The Planning Board considered the request at their January 4, 2011 meeting and recommended approval. He said that the property was immediately adjacent to the Town limits so it would seem to be an excellent candidate for annexation into the Town. He said currently it was in the ETJ.

Mayor Voller agreed, noting if they were going to approve that the property be zoned commercial then it should be annexed into the Town. Mr. Messick agreed.

Public Comments:

James Nass stated that this property backed up to Potterstone Village and in particular packed up to the community swimming pool and club house. He said the zoning change could impact several houses on Farmingdale. He said their concern was twofold, the first being what kind of uses the property might support considering its proximity to a highly residential area. Mr. Nass said the space between the edge of their pool fence and that property was only 25 yards, so they were concerned about a use that would permit high levels of traffic and high levels of noise. He said their second concern was that when the survey of the property was done it had been red flagged from the tree line towards the Potterstone Village property, and they were very concerned that if the rezoning was approved that a proper buffer be maintained or established so that the residents of Potterstone Village could continue to take advantage of the investment they had made in their homes.

Mr. Fowler, address and first name not provided, stated that he was also concerned that if the zoning was approved that other nearby properties may want to do the same and there would be a domino effect. He said once one was done it would become easier for other properties to do the same, and he would like the Board to consider that.

Mr. Hoyle said he would like to suggest that this issue be referred back to the Planning Board for further consideration.

4. Special Use Permit – Chatham Mills/Montessori School 480 Hillsboro Street.

Application withdrawn by the applicant.

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to close the Public Hearings.

Vote Aye-5 Nay-0

OLD BUSINESS

1. Audited Financial Statements for the Year Ended June 30, 2010 (Lynda Ward, Ward & Foust CPAs.)

Lynda Ward introduced Donna Faust who had assisted her in preparing the audit, and then thanked the Board for the opportunity to prepare the Town's audit this year. She said the Water

and Sewer Fund had about \$713,000 in grants from the AARA; there was \$415,000 in capital grants in the General Fund, most of which went to the new park; there were also Police grants used to purchase equipment; in the General Fund there were operating grants of almost \$244,000 used for Adopt-A-Trail as well as to the Police Department to help fund some positions; and, this year the Town was required to have what was called a single audit, which had allowed the Town to take advantage of many more grants than in the past.

Ms. Ward said she had four points to bring forward from the audit report:

- The General Fund had total revenues of \$2.6 million and expenditures of \$2.8 million, so prior to transferring funds from the Enterprise Fund to cover administrative costs they had actually overspent their revenues by about \$218,000. Once funds were transferred from the Enterprise Fund the net positive inflow was \$183,000, which was very good.
- The Water and Sewer Fund had total revenues of about \$2.3 million, and operating expenses were \$2.2 million, leaving operating income of about \$113,000. This figure was more than double the \$51,000 shown in last year's audit.
- There was also some non-operating income, bringing that total before transfers to \$246,000. It was their opinion that with the new structure in the water rates and sewer rates instituted over the last couple of years, the Water and Sewer Fund was moving towards becoming a self-sufficient entity. The Water and Sewer Fund was an Enterprise Fund which meant it should operate like a commercial business and its income should be greater than its expenses so that the surplus could be used to maintain or replace equipment and water and sewer lines.
- The Governmental Accounting Standards Board had in the past been concerned with governmental entities that were offering what they referred to as post-employment benefits. For long-term employees, those employed 15 years or more, the Town paid a portion of their health care until they became eligible for Medicare. After an employee had been employed for at least 25 years the Town paid 100% of their health care until they became eligible for Medicare. The Governmental Accounting Standards Board had felt that with the rise in health care costs municipalities may not understand how much money they were obligating, so they had been required to estimate what those benefits would cost. Page 51 of the audit report indicates that those benefits were estimated to cost \$143,208 based on the assumption that employees would remain until they reached retirement, although it was not likely that all employees would do so. The Board should consider that that cost might increase in the future, and it was suggested that the Board look at how that cost might be funded, for instance setting aside a small amount each year.

Mayor Voller thanked Ms. Ward for providing the audit in a timely fashion and working with the Town's new Finance Director. Ms. Ward said they would not have been able to do it without the help of the entire Town staff.

Commissioner Bryan asked where depreciation was shown in the Enterprise Fund. Ms. Ward said it was noted on page 22 under Operating Expenses, noting it was \$362,000.

Commissioner Fiocco added his thanks for getting the audit done of time, as did Commissioner Baldwin.

Mayor Voller said in summary, net assets were up over \$1 million, which was quite good. Ms. Ward agreed. Mayor Voller said the tax base was up and continued to grow, which was also positive. He said the Enterprise Fund was now profitable, and as Commissioner Bryan had pointed out even with the \$362,000 depreciation they were actually up about \$500,000 which was about a \$900,000 shift from many years ago. Ms. Ward said in past years the water and sewer access fees had to be used to supplement the Water and Sewer Fund, but they had now been able to move away from that and use those fees for what they were intended for, which was for capital improvements. Mayor Voller said he was also pleased to see that grant income was increasing, which provided value to the Town and its citizens.

Mr. Terry said on page 69 in the audit, it showed a Fund Balance in the Enterprise Fund in the last line. He said earlier today he had asked Ms. Ward if that Fund Balance was possibly understated due to the fact that the Town was doing so many grant projects. Mr. Terry said they took money out of Fund Balance to complete those capital project budgets, and then when the project was over they received grant reimbursements. He said when the projects were closed out he believed those reimbursements went back to Fund Balance. Ms. Ward said the answer was yes and no. She said the figures for the Water and Sewer Fund did not include any capital projects, but it did include the transfers that had been made to fund capital projects while they were awaiting grant money. Ms. Ward said as grant money was received, they may be able to make some transfers back into the Water and Sewer Fund to reimburse any upfront fees the Town had had to make, which would improve the Fund Balance.

Mayor Voller said the Horton Booster Pump and the Haw River Intake were shown as encumbered, and asked were they considered transfers. Ms. Ward replied yes, noting funds were transferred in but the project actually did not get started last year. Mayor Voller said then technically those funds may come back. Ms. Ward said that was correct.

Motion made by Commissioner Brooks seconded by Commissioner Harrington to receive the audit.

Vote Aye-5 Nay-0

2. Resolution to Permanently Close South Street.

Removed from agenda.

3. Adopt (State Approved) Riparian Buffer Ordinance.

Motion made by Commissioner Baldwin seconded by Commissioner Brooks to table the Riparian Buffer Ordinance and that it be brought back at the next meeting with recommendations.

Commissioner Fiocco said of the better design guidelines that were put together what he had liked most was the idea of providing incentives to developers. He said that if in fact the

additional 100-foot buffer was not adopted for the intermittent streams, he would like to include language that would in some way incentivize someone to voluntarily provide a 100-foot buffer on the intermittent streams. Commissioner Fiocco asked that some thought be given to that.

Commissioner Brooks said he understood what was said about consistency, but asked if anyone had actually read the State law to make sure it was in compliance before the Board acted on it. Mr. Messick said he had not compared it with the statutes but would be glad to do so. Commissioner Brooks said he would like to add that to the motion, and Commissioner Baldwin voiced no objection.

Commissioner Brooks said when you took a community as old as Pittsboro and you looked at the configuration of homes and looked at the buffers, you might have a street with houses but with vacant lots as well. He said those houses might be closer than 100 feet from a stream, citing Johnston Street as an example. Commissioner Brooks said the area behind the Kiwanis Hut was wooded but some day it might be developed, and the runoff eventually made its way to Robeson Creek. He said that concerned him because there was an inequity, in that someone might not be able to use his land that he had to pay market value property tax on. Commissioner Brooks asked was there anything that could be done to help people in that situation with their property taxes. Mr. Messick said he could speak to that when he came back with his comments.

Mayor Voller said there were people who owned land but had never developed it, and regulations continued to change so they may not be able to build a home now because most of the land might be encumbered because of the 100-foot buffer rule. He said the point was how the Town could best protect the streams but not leave people in a position of losing value on their land.

Commissioner Brooks said that was exactly his point, in that people were paying market value property taxes on land they could not use.

Mayor Voller said that was something that could be considered, as far as how they could accomplish their goals without leaving people in such situations. He said as to Commissioner Fiocco's concern, perhaps model conservation easements and others should be looked at because one of the incentives was allowing developers to actually reap some benefit if they put their property in conservation easements. Philip Culpepper said there were a lot of ways to do that, and he would be happy to provide some suggestions on how to accomplish that.

Mayor Voller called for the vote on the motion as amended.

Vote Aye-5 Nay-0

Commissioner Brooks said he would like to thank Ms. Hall and Ms. Deininger for their missionary zeal in trying to protect the environment and for their work on the Town's behalf.

4. Rezoning of 65 Pittsboro Moncure Road from R-A2 to C2 (REZ-2011-01).

Mayor Voller said input had been received during the public hearing and Mr. Hoyle had requested that it be sent back to the Planning Board for further review.

Commissioner Brooks said he had noticed that part of the rationale for rezoning the property was one of the very problems that had been pointed out by Mr. Nass. He said the section behind the recreation facility at Potterstone was already being used for commercial endeavors.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to send the rezoning of 65 Pittsboro Moncure Road from R-A2 to C2 back to the Planning Board for further review after which the Planning Board would make a recommendation to the Town Board.

Commissioner Fiocco said for clarification, if the property were to be rezoned then they would have to then submit a site development plan, and if in fact they were to comply with the commercial regulations then as a part of that analysis buffering issues should be included in consideration of the nearby residential property surrounding them.

Vote Aye-5 Nay-0

5. Special Use Permit – Chatham Mills/Montessori School 480 Hillsboro Street.

Applicant withdrew the application.

NEW BUSINESS

None.

CAPITAL PROJECTS REPORT

1. Manager’s Update on Capital Projects.

Mr. Terry provided the following update on Capital Projects:

- Pedestrian Conveyance System Project – This project was completed in December but the issue of hazardous sidewalks had been brought up by Commissioner Brooks. After inspection it was determined that the sidewalk did pose some hazard and a guardrail would soon be installed to correct the issue.

Commissioner Fiocco asked if that could be funded by the grant. Mr. Terry said they had not yet received word regarding that, and in fact there was some question as to whether the Town had the right to install the guardrail. He said they may have to request an encroachment agreement to do the work, and if that was necessary he did not expect any difficulty in obtaining that.

Commissioner Fiocco said the other issue with that project was the drainage on the southeast corner. Mr. Terry said they actually were waiting until the next rain event so they could get a better idea of the problem. Commissioner Fiocco said there was an 18-inch pipe that discharged into a drainage area, and the swale was too high to convey that water downstream. He said there was about an 8-inch PVC pipe that was buried but he could not locate its outlet. Commissioner

Fiocco said he did not know if they were simply dumping water from an 18-inch pipe into an 8-inch pipe and expecting the water to bubble up and go over land after it overwhelmed the 8-inch pipe. He said he would certainly like an opinion of how that drainage was working. Mr. Terry said he would look into that. Commissioner Fiocco said that Hydrostructures had identified that situation but NCDOT had been convinced it was not an issue. He said he would like to know if that was their solution.

Mayor Voller said he believed those issues needed to be put on the table before the grant was closed out, noting he would not want those concerns to go unaddressed when there were funds left over in the grant that could be put towards solutions.

Commissioner Brooks said there was some urgency in the safety issue because of the number of wheelchair-bound citizens who used that sidewalk. Mr. Terry said they would install the guardrail as soon as it was received.

Commissioner Fiocco said these were two relatively minor issues, and overall it was a great project.

Mr. Terry continued his update:

- Credle Street Basin Rehabilitation Project – They have executed the grant with the Rural Center and have executed a construction contract with Hydrostructures. They expect to advertise for bids by mid-February, 2011.

Commissioner Fiocco said in regards to the Wastewater Treatment Plant project, when Stearns and Wheler came before the Board the Board had inquired as to the possibility of additional warranty on the pumps. Mr. Terry responded that Mr. Brinkley was going to get back to him but had not yet done so. He said he would follow up on that.

Mr. Terry continued his update:

- Southern Community Park – This project was now out for bids with a pre-bid conference scheduled for January 26, 2011 and bid opening scheduled for February 3, 2011. One addendum had been issued that increased the number of alternates to provide additional opportunities to include features that were desirable.
- Downtown Area Water System Improvement Project – They have received the grant contract documents from the NC Department of Commerce for the CDBG grant and had met with the grant administrator on January 20, 2011. They were now awaiting a fee proposal from Hydrostructures for finalization of the design for the work, particularly that section of pipe that was not originally included in the project. Based on initial discussions with the NC Department of Commerce, they expect to be required to advertise a request for proposals for a firm to accomplish the grant administration work on the project. In view of the uncertainties surround the USDA loan/grant application process for this project, subsequent reports would separate the CDBG funded portion of the work into a discrete project to be titled “Hillsboro Street Water Main Replacement Project.” One of the items in the Consent Agenda tonight would begin that process.

Mayor Voller asked was there any issue with the Wastewater Treatment Plant expansion that may impact their greenway system. Mr. Terry said possibly, explaining that one of the bridges was in the area that may very well be in the way of the expansion. He said there were also some existing sewer lines coming in from the east and from the west of the plant that would likely be abandoned when the new wastewater plant was created. Mr. Terry said one of the bridges was within the run of pipe that in all probability would be abandoned. He said if the bridge was put there it might end up being demolished, and it was a \$10,000 bridge. Mr. Terry said for that reason they were looking for alternatives.

Mayor Voller said but they were not going to cut connectivity so that you would not be able to walk east to west. Mr. Terry said they had discussed that one way to resolve the issue would be to enclose the new plant with a fence and provide a walkable path outside the fence line. He said that would mean the walking trail would come up to the plant and then swing around it and pick back up on the other side. Mayor Voller said that plant was not yet built so there was time to consider those and other factors.

Mayor Updates

Mayor Voller said in regards to the Main Street Conference, the Pittsboro Merchants Association had contacted him and to inquire if a representative of the town would be attending that Conference. He said he had attended the last four years through the EDC, but would likely not be able to attend this year due to schedule conflicts. Mayor Voller said he did not know if someone from the Board or the staff would like to attend, but Dianne Reid would be attending on behalf of the EDC. Mayor Voller said the Conference would be held in Shelby on January 26, 27, and 28, 2011.

Mayor Voller said he would be speaking at the Reality Check Triangle Tomorrow session in Raleigh later this week about the importance of greenways.

Commissioner Concerns

Commissioner Harrington said there was a real problem coming from the north with the median going into the Lowe's/McDonald's parking lot. He said at night and particularly during rain events it was very difficult to see the median, and he had been traveling with someone who did not see the median and had entered on the wrong side. Commissioner Harrington said that median was not painted and it was nearly impossible to see at night, and asked whose responsibility it was to correct that. Mr. Terry said there had actually been a sign there that had been run over, and DOT had been asked to replace it but that had not yet happened.

Commissioner Harrington said that in front of Virlie's there was a large step down, and he had been told that an elderly person had nearly fallen. He said if they were to add just a small handrail near the trees then it would provide someone on the sidewalk with something to hold on to when making that step down. Mr. Terry said there was a similar rail in front of S&T's because of that same issue with a step down, so perhaps something like that could be considered.

Mayor Voller said he had heard similar stories from two different shop owners that people had nearly fallen because the step was so high.

Commissioner Harrington asked was it true that the Town did not have control of those sidewalks. Mr. Terry said they were in the DOT right-of-way. Mr. Messick commented that they were the Town's sidewalks to the curb.

Mayor Voller said he believed the issue should be addressed.

Commissioner Baldwin said she would be attending the Triangle J Council of Governments meeting on Wednesday, and if there were any issues the Board members might like her to bring up to contact her prior to Wednesday.

Commissioner Fiocco commented that the financial reports produced on a monthly basis were very helpful. He said there was a column entitled "Activity This Period" and then "Expenditure Year-to-Date" which were always the same amount. Commissioner Fiocco said the next column was "Encumbrance Year-to-Date", and asked was it possible to have the activity for that period to just represent the month's expenditures. Mr. Terry said he would consult with the Finance Director on that.

Mayor Voller remarked that Commissioner Fiocco had represented the Town at the NC League of Municipalities meeting which he had attended as well, and it was the first time that the League had conducted a legislative goals session in that way. He said he was glad that the Town had sent representatives in that they were able to provide some input and talk to fellow elected officials.

RECESS

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to recess the meeting for a brief break at 9:00 p.m.

Vote Aye-5 Nay-0

RECONVENE

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to reconvene the Regular Meeting.

Vote Aye-5 Nay-0

CLOSED SESSION

- 1. Closed Session pursuant to GS 143-318.11(a) (3) to receive information or discussions with an attorney under the attorney-client privilege and pursuant to (G. S. 143-318.11(a) (6) to receive information and hear discussion regarding personnel matters.**

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to enter into a Closed Session pursuant to GS 143-318.11(a) (3) to receive information or discussions with an attorney

under the attorney-client privilege and pursuant to (G. S. 143-318.11(a) (6) to receive information and hear discussion regarding personnel matters.

Vote Aye-5 Nay-0

RECONVENE REGULAR MEETING

Motion made by Commissioner Bryan seconded by Commissioner Harrington to close the Closed Session and reconvene the Regular Meeting.

Vote Aye-5 Nay-0

ADJOURN

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to adjourn the meeting at 10:10 p.m.

Vote Aye-5 Nay-0

FYI:

1. Pittsboro Express Bus Performance Report for December 2010.
2. Financial Statements for the Month Ending December 31, 2010.
3. Chatham County Manager's letter of January 12, 2011; RE: Chatham County's intent to end funding of the Chapel Hill Transit Pittsboro Express Route.
4. NCDENR letter of January 12, 2011; RE: Final Inspection of the WWTP Wet Weather Flow Improvements Project.

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk