

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING OF MAY 24, 2010
RECONVENED TO THURSDAY, MAY 27, 2010
6:30 PM

Mayor Randy Voller called the meeting to order at 6:40 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 present: Town Manager Bill Terry, Town Clerk Alice F. Lloyd, Town Attorney Paul S. Messick, Jr., Assistant Planner Paul Horne, Finance Officer Kay Hamrick, Police Chief David Collins, Wastewater Treatment Superintendent Randy Heard and Water Treatment Plant Operator Kay Willis.

Motion made by Commissioner Harrington seconded by Commissioner Baldwin to reconvene the meeting continued from May 24, 2010 meeting.

Vote Aye-5 Nay-0

BUDGET WORK SESSION

1. Manager's Recommended Budget for Fiscal Year 2010-2011.

Mr. Terry stated they would begin with discussion of the Enterprise Fund. He said that interest income was an issue this year, and they had bids out to the banks so that they could maximize their investments as much as possible. Mr. Terry said due to the economy they were looking at interest rates of less than 1% on CD's, so they were adjusting their expectations down in light of that.

Mayor Voller asked if they needed to be looking at something that would provide better returns. Mr. Terry said they were looking at all options, including laddering some CD's with investment over a more extensive period of time. But, he said, he did not believe they would do much better in this economy.

Commissioner Brooks asked if the State Employees Credit Union was eligible to submit bids on the Town's funds. Kay Hamrick responded they were not on the list of approved banks from the LGC.

Mr. Terry said with respect to water charges, the base budget included a 1% increase for water and sewer, which would result in a slight increase of about \$78,000 in the water fund and \$40,000 in the sewer fund.

Mayor Voller said on the issue of investments, could the Town just make its own bank. He said that North Dakota had its own bank, and 8 other states were looking into that. Mayor Voller said if they had to keep a 10% reserve then why not lend out at 10 to 1, and that could become \$27 million.

Commissioner Harrington asked who he was proposing to lend to.

Mayor Voller said to anyone in Town, just as any other bank. He said in North Dakota they could finance their own projects, noting he would send the Board the information he had received so they could review it. Mayor Voller said that North Dakota was being creative and now had a \$1 billion surplus and they had less than 700,000 people. He said when the Town was looking at returns of less than 1% then they needed to get creative.

Commissioner Brooks said he did not disagree with that, but believed that current State statutes would not allow it.

Mayor Voller said statutes could be changed. He said he had attended a meeting where creating a State bank had been discussed, so he just wanted to look into that. Mr. Terry asked the Mayor to share the literature with him and he would look into it.

Mr. Terry said the next item was \$54,000 estimated to be received from 3M for reuse water. He said that was the contractual minimum that 3M was required to purchase, and although he expected the number to be larger he had taken the more conservative route.

Commissioner Harrington asked for how long they were contractually obligated to that minimum. Mr. Terry said he would have to look at the contract but believed it was indefinitely with rate adjustments as time went on.

Commissioner Fiocco asked how many gallons they were contracted to use. Mr. Terry said he believed it was 100,000 gallons a day, which was 45% of their total output. He added that 3M would purchase up to 200,000 gallons a day, which was about 80% of their total output. Commissioner Fiocco asked how much was being pumped to them now. Mr. Terry said when they were at full capacity he believed it was around 150,000 gallons. He said operations had to be kept in mind, and since it was a very new system they did not expect a lot of maintenance now but over the years they would need to hold some funds in reserve for maintenance costs.

Mayor Voller asked how close they were to making reuse quality water. Mr. Terry said very close, but it did not meet the technical definition. Mayor Voller said in thinking like a business, why not send a survey out to projected users in that area so they could judge if there was any interest if they were to extend lines. Mr. Terry said that was a good idea for the future, but at present 3M could conceivably use a large percentage of their output. He said he did not believe they would want to cause Roberson Creek to go dry or to sign up so many customers that they could not serve them. Mr. Terry said that 3M on a good day could take 80% of their output, so they could sign up some small users but nothing that would use a large percentage of the output.

Mayor Voller said if Roger Perry never used the sewer capacity they would never be at that point. Mr. Terry said there were 3 developers out there at capacity now, and someone needed to start building something. Mayor Voller said even if they started building now it would be some time before they would be putting anything in tributary. He said in the area where he and Commissioner Harrington lived they used about 22,000 gallons per day even though they were permitted for 72,000 gallons.

Mr. Terry said the only other revenue item of note was that in order to balance that budget they had had to take some funds from Fund Balance in the amount of \$23,294, and the Board could discuss that later in the meeting if they felt it necessary.

Commissioner Harrington asked the balance in the Fund Balance. Mr. Terry said they would not know exactly until the audit was performed this summer.

Mayor Voller said that seemed like a number they should know, as well as the net worth of the Town. Mr. Terry said a ball park figure would be about \$1.6 million in the Water/Sewer Fund and about \$1.25 million in the General Fund.

Mayor Voller asked when the transfer came back in regards to the disinfectant project. He said on February 5, 2008 there was a debit of \$365,000, and asked when the grant funding of \$182,500 would come back over. Mr. Terry said that would be reflected as a revenue at some point, but he did not know when that would be. He said there were some other projects in a similar situation, like the wastewater treatment project design work that they had paid cash for and ultimately half of that cost would come back as revenue.

Mayor Voller asked had they spent the entire \$365,000 or did they just transfer those funds. Mr. Terry stated they had actually spent more than that, noting they had gone from chloramination to ferric sulfate and powdered activated carbon, so the project had grown over time. He said the project had ultimately become a \$500,000 project.

Mayor Voller said the letter received from the Rural Center in regards to the Credle Street project Phases 3 and 4 stated that the Town could not be reimbursed for engineering fees. He said they needed to ask the consultants how they could comply but get reimbursed for as much as possible. Mr. Terry said that project was already designed so expenses now would be for administration.

Mr. Terry reminded the Board that if they were going to consider changing the water rates, 1% would earn an additional \$16,000, and if you added \$1 to the base rate for water it would yield \$23,000. He said if you added \$1 to the basic charge for sewer it would yield \$18,500.

Mr. Terry then moved to the individual Enterprise Fund accounts, noting that the entire Enterprise Fund budget was up about 6.7%, with 5.5% in the operating budget. He said a lot of that increase related to medical insurance and retirement costs, although they had added some positions at the Water Plant. Mr. Terry said the operating budget increase was primarily due to increases at the Water Plant in respect to TTHM controls. Mr. Terry said the administrative page was mostly salaries with some small operating expenses, noting that account was down about

\$2,500 or 1.8%. He said that personnel costs were up for the same reasons already noted. Mr. Terry stated that the debt service noted was the payment on the two outstanding bonds the Town had.

Mr. Terry said for the Water Treatment Plant, that budget was up 19% or about \$154,000, attributed mostly to personnel costs due to the addition of two positions mid-year last year, and again insurance and retirement costs had increased.

Mayor Voller asked what the current staffing level was. John Poteat stated that were fully staffed with the exception of a Superintendent.

Mr. Terry stated they had 6 employees, with 3 certified and 3 in training. He stated once at least one more was certified they would be able to split into two shifts and go 24/7 in operations.

Mr. Poteat stated that certification classes were only held quarterly, but they would get certifications done as quickly as possible. He said hopefully all would be certified by the first of the year.

Commissioner Harrington asked was that the earliest they could go to 24/7 operations. Mr. Poteat responded yes. Commissioner Harrington reminded Mr. Poteat that a year ago the Board had instructed that they move to 24/7 operation. He said he understood there were reasons, but he had not done what the Board had asked him to do and it was important that he do so as quickly as possible.

Mr. Terry said in the Water Treatment account, there was a large increase of 400% in equipment maintenance costs, largely due to compliance with TTHM standards and at lost work being performed by staff and the contractor. He said that account also paid for items kept on hand that he referred to as "insurance items" and were necessary should some piece of equipment experience trouble that could cause the plant to shut down.

Commissioner Harrington said he was surprised that some of the newer equipment was purchased from that line item. Mr. Terry said the contractor was doing things needed to be done that were not within the scope of the contract.

Commissioner Fiocco asked if that would fix the electrical box. Mr. Terry responded that would be a capital item. He said there was a project in the CIP for back-up generators and repair of that electrical box would be included in that project. Mr. Terry said if the generators did not get funded then he would do a stand-alone project for the electrical box.

Mr. Terry said in that account there was an increase in contracted services and that was the line item that paid for sludge hauling due to the change to the ferric sulfate process, noting that process created considerable more sludge that had to be hauled more often. He said that increase had gone from \$14,000 to \$55,000.

Commissioner Harrington asked had that been sent out for bids. Mr. Terry said there were only a few contractors who did that kind of work and Mr. Poteat had checked pricing.

Mr. Poteat said they were in the 6th year of a 9 year contract, but they did have some others on standby just in case.

Mayor Voller asked how much sludge was hauled daily or monthly. Mr. Poteat said the amount hauled varied on several factors. Randy Heard said they were now on a cycle of about every 6 weeks and pumped about 75,000 gallons at a cost of about \$4,000 every six weeks. He said in addition to that cost was stabilizing that sludge before hauling, at an additional expense of \$1,900. Mayor Voller asked how much the digester would hold. Mr. Heard responded 75,000 gallons. Mayor Voller asked what the percentage of solids was. Mr. Heard replied about 1-2%. Mayor Voller asked did that sludge go directly to farm fields, and was there any liability for the Town in doing that.

Commissioner Brooks said he believed Wake County or Raleigh had a real problem with that about a year ago. Mr. Terry said the hauler was licensed by the State and the site that it was deposited was controlled by the State. Commissioner Brooks said he believed Wake County had corn fields by their plant that they were spraying their sludge on.

Mayor Voller said there were different fields of thought on its safety and it depended on what was being fed into the plant including pharmaceuticals. He asked where was the sludge being sent, and if it was upstream was it coming back to Jordan Lake. Mr. Poteat said it was being sent to different area farms, and this type of program had been used for the last 25 to 30 years. He said he knew there were concerns about the practice, but when the Town had applied for the permit they had experienced no difficulties.

Mayor Voller said if they were placing sludge on land they had to disclose that, and it could not just be sold for development. He said his point was that people needed to know that sludge had been up there if they were considering building a home or business. Mayor Voller said the Town could not guarantee the product because they were only processing what went into the plant.

Mr. Terry said the next budget was for the Wastewater Treatment Plant, noting the overall budget was down 3.5%, with personnel costs up 2.9% due to insurance and retirements costs. He said there was one capital equipment item which was a vehicle for the lab technician, noting at present she was using her personal vehicle and bi-weekly was being reimbursed for that use. Mr. Terry said it would be more appropriate if she was conducting Town business in a Town vehicle. He said they were requesting \$25,000 for that vehicle, noting the vehicle they were considering was a Ford Escape.

Commissioner Harrington agreed it was a good idea to have the lab technician in a Town vehicle, but said there were a lot of good used cars around Town that could be acquired for half that cost. He asked was there an advantage in terms of accounting and depreciation to acquire a new vehicle as opposed to a used vehicle. Mr. Terry said he was not in favor of purchasing used vehicles because you were running the risk of purchasing others' problems. Commissioner Harrington said it seemed that since the price would be so much less you would still come out better even with the cost of repairs to a used vehicle. He said he did agree they needed a vehicle but believed they could do better than \$25,000.

Commissioner Bryan said a used 2008-09 Ford Escape would sell for between \$12,000 and \$15,000. He said he was aware of one that was for sale a week ago for \$11,000.

Commissioner Harrington said the choice of a Ford Escape was a really good one, but for the purpose a used one should be adequate. Mr. Terry said they would not be putting thousands of miles on that vehicle so this may be one case where a used vehicle would be adequate. He said he could budget \$13,000 then shop around to see what was available.

Commissioner Bryan said he believed he should budget \$15,000 so that funds would be available to purchase a warranty as well. The Board agreed by consensus.

Mr. Terry said the next budget was Public Utility Maintenance, and overall the increase was 5% with a 6.2% increase in personnel for reasons already stated as well as the addition of 1 staff. He said automotive supplies were up considerably due to the cost of fuel and the additional vehicle for the additional staff. Mr. Terry said they had increased contracted services from \$4,000 to \$10,000 which was primarily used to respond to emergency water and sewer line breaks and similar occurrences. He said he had talked with Mr. Poteat today about how those funds were used, and he would be comfortable reducing that line item down to \$5,000.

Commissioner Harrington asked how close were they keeping tabs on those expenses line by line, and were they able to track over the year how reasonable the budgeted numbers were. Mr. Terry said the first three columns on the chart were the actual expenses so they did track it yearly. Commissioner Harrington said then it was tracked closely. Mr. Terry said they did that with all of the budgets, noting that since his tenure with the Town they had redefined what various things were called so that better records could be kept.

Commissioner Fiocco said he liked the idea of cutting the contracted services back to \$5,000, noting it was for contingencies and he did not believe it was an unreasonable number.

Mr. Terry said there was a vehicle included in the capital outlay, noting their current truck had 126,000 miles on it and needed to be replaced. He said he was suggesting \$20,000 to replace that truck. Mr. Terry said they had had \$26,000 budgeted in the current year for a ditch witch but it had not been purchased. He said development had slowed down and they were doing a lot less connections, so that purchase had been deferred. Mr. Terry said if the Board would consider giving him the authority to do a year-end buy, they could use the current year funds to purchase the pickup truck from that \$26,000, allowing him to remove the \$20,000 from next year's budget.

Commissioner Harrington asked if that \$26,000 would become surplus if not spent. Mr. Terry responded yes, noting that they would experience surpluses in both the General Fund and the Enterprise Fund.

Commissioner Brooks said he had thought they had budgeted for a sickle bar. Mr. Poteat said they had, but they had doubled in price in a short period of time so they had not been able to

purchase it. Commissioner Brooks said there were many places around Town where that equipment would be helpful. Mr. Poteat agreed.

Mayor Voller asked what the cost was of a sickle bar. Mr. Poteat said they had budgeted between \$5,000 and \$6,000, but the cost had risen to around \$11,000. Commissioner Brooks said he had a recollection of a discussion about a place where such equipment could be purchased used. Mr. Poteat said that had been discussed in relation to the ditch witch, but he had not been able to locate a used sickle bar at the time.

Mr. Terry said such equipment was harder to come by in that people tended to hold on to that kind of equipment. He said they were also bound by purchasing laws which made it more difficult at times to purchase used equipment, adding that once you reached \$5,000 in value different levels of regulations came into play. Mr. Terry said they could search the Internet and auction companies to see if they could locate one, or could send out a request for quotes.

Commissioner Brooks said a sickle bar was necessary in many places in Town, particular in ditches where the grass grew high. He wondered if nothing else perhaps they could hire someone locally who had such equipment and would be glad to have the work.

Mayor Voller agreed, suggesting they just hire it out and pump money into the local economy. Mr. Terry said they would have a need to contract for mowing at Rock Springs Park, so possibly that could be added if the contractor had the equipment. The Board agreed by consensus that mowing requiring a sickle bar should be contracted out.

Mr. Terry said the next budget for discussion was the CIP. He said on page 43 he had summarized the CIP projects, and went through that line by line.

Mayor Voller said he had received a letter detailing the Town's balance in the Powell Bill, and asked Mr. Terry if he had seen that information. Mr. Terry said he had not. Mayor Voller said the balance was \$297,000, and said copies needed to be provided to the Board. He also said the State was conducting an audit regarding the length of roads in each jurisdiction and there was information that needed to be filled in and returned to the State with an engineer's seal. Mr. Terry stated he would take care of it.

The Board briefly discussed what Powell Bill funds could and could not be used for, noting it could be used for curb cuts and handicap ramps.

Commissioner Brooks stated property near the nursing home was being developed and in that process had damaged the sidewalk used by those at the nursing home. He said he had received a complaint from a citizen who had said he had been forced to go out into the road to get around the damage. Commissioner Brooks said that needed to be addressed before someone was injured. Mr. Terry said the contractor had been asked several times to address that, and they had received verbal assurances that it would be.

Commissioner Baldwin suggested the Town repair the sidewalk and bill the contractor. Mr. Poteat said he had gotten a quote on the work and apparently there was some issue with the way

the sidewalk was done the first time, and to go back and do it right it and make it ADA compliant would cost \$27,000.

Mayor Voller asked if a bond had been put up with approval of the site plan. Mr. Poteat said it would have been a DOT bond. He said the encroachment the developer had received for DOT would not have included the sidewalk since it was the Town's sidewalk.

Mr. Terry said he had no recollection of removing the sidewalk being a part of that site plan.

Commissioner Fiocco said if the Town had made it a condition of approval to build the sidewalk then they would need a 3-party encroachment agreement where the Town would be a party to it and would assume maintenance after the developer built it. He said he believed they were in violation of their site plan. Mr. Terry said that Mr. Poteat had done his homework on that issue, and believed the next step would be to have the Town Attorney write a letter stating that the sidewalk should be put back by a certain date or the Town would do so and place a lien on the property.

Commissioner Brooks said they should go ahead and move on that. Commissioner Harrington agreed, stating the letter should state that the Town was about to move on that since the developer had been contacted several times in the past with no movement noted.

Mayor Voller asked could the Town assess them, stating that if they assessed them it would attach to the property and the Town could then prosecute them. He said he wanted to have pressure placed on the developer, noting the situation had gone on long enough.

Mr. Terry began going through the CIP list, beginning with the 3M Park. He said for the record 3M had requested that the park not be referred to by that name since it had now become the property of the Town and they would prefer that it be designated by some other name. Mr. Terry suggested referring to it as the southern area park and look to name it at a later time.

Mr. Terry said they had a PARTF grant that had just been extended, noting it was for \$440,000 and the amount in the budget was \$520,000, so \$80,000 from the General Fund would be going into that project. He said the concept now being considered was to hire a designer to design Phase 1 of the park and as well as Phase 2, and to concurrently prepare the application for a follow-up grant for the next year that would be used to pay for construction of Phase 2.

Commissioner Fiocco asked if the design would execute the schematic design prepared earlier. Mr. Horne said that was a conceptual rendering, but it would duplicate the basic features that they were contractually obligated to provide.

Mr. Terry said ultimately the Board would review the plans and determine what the final design would be.

Commissioner Fiocco said then the \$80,000 was for the design of Phases 1 and 2. Mr. Horne responded that was for Phase 1, adding that \$135,000 was estimated for both Phase 1 and Phase 2.

Commissioner Fiocco asked how they had arrived at a design fee. Mr. Horne said it was typically 8% to 10% of the construction budget. He said they were looking at a \$1 million park and there were 2 phases, and \$440,000 of that would be grant funds.

Commissioner Brooks asked were there any State and federal files that contained designs of parks where they could just go and pick one they liked rather than spending so much money to produce new plans.

Commissioner Fiocco said plans were all customized to the particular piece of property, because each site had its own parameters and different challenges.

Mr. Terry said they had now received the land and the grant had been extended, so they now had the RFQ out to locate a designer. Mr. Horne added that the grant had been extended to September of 2011.

Commissioner Fiocco asked would they have a breakdown by then. Mr. Horne responded yes, that the project should be completed by then.

Mr. Terry said they had about a year and a half to design and build Phase 1. He said he believed the design would go quickly and they would be able to move forward in a timely manner.

Commissioner Fiocco asked if restrooms were a part of the project. Mr. Horne responded yes. Mr. Terry said that carried its own special problems because the Town's sewer lines did not extend that far. He said they would likely use well water and a septic system.

Commissioner Brooks said but they did have County water very close. Mr. Terry said that was correct, and perhaps they could connect to the County waterline and avoid having to dig a well which would be a big money saver.

Mayor Voller asked had they explored any cooperation with the County on that project in terms of funding or cooperating on programming. He said the County did get funding and the Town could make an argument that the County should provide some kind of funding similar to what was done with the tennis courts. Mr. Horne said they could explore that.

Commissioner Brooks stated that none of the parks that served Jordan Lake were connected to sewer systems, but were served by sand traps.

Mayor Voller said if you were going to end up with water and sewer you would have to have a septic field, or they could talk with 3M about what their capacity was in their sewage processing. He said perhaps it would be possible to pump sewage from the park to 3M. Mr. Terry commented that was a very long way to pump. Mayor Voller said this might also be an opportunity to create a small system that dealt just with the affluent from the restroom.

Mr. Horne said the first stage of processing was a septic tank system, so regardless they would need to do that.

Commissioner Harrington said he believed they should think about doing that. He asked what was needed from the Board on this project. Mr. Terry said as now presented, they had \$520,000 budgeted, with the grant paying \$440,000 of that. He said they would need \$80,000 from the General Fund. Commissioner Harrington said then he was asking for approval of that \$80,000. Mr. Terry said that was correct. Commissioner Harrington said it appeared they would have to put in the \$80,000 in order to get the grant, in that they could not just say they would only do \$440,000 worth. Mr. Terry said technically they could proceed with the project without putting in any additional funding, but he believed they would lose some traction. He said the reason he was recommending adding the \$80,000 was so that rather than just designing Phase 1 and closing that out and then writing a grant for the next phase and hiring another designer, that they put cash in now so that they could hire a designer who would design Phases 1 and 2 and do the grant writing to get additional funding for Phase 2.

Mayor Voller said then they would not be using the ball field plans that came from Sarah Donaldson, in that they were already designed. Mr. Horne said they were not obligated to anything but Phase 1 which contained no ball fields, but was mostly parking lots, entrance roads, walking trails, a picnic shelter, a woodland amphitheater, a playground, and signage. He said the second phase could include such things as mountain bike trails and open fields if that was what the Board wanted, adding that specific kinds of fields could be built later on.

Mr. Terry said there was no guarantee that they would receive a grant to fund the second phase, but they were optimistic since the first phase had been successful.

Commissioner Fiocco asked how important was the programming feature of the design as far as submitting and receiving the grant. Mr. Horne provided a brief explanation, noting that if they wanted to go after the second phase grant they would have to get the application submitted by December. He said they would want the same firm that would design Phase 1 to be working on the application grant for Phase 2 concurrently. He said so, the programming for the second phase would all be determined in that time period. Mr. Horne said as well, they wanted to finish the Parks and Recreation Master Plan and in place prior to the December PARTF grant cycle, noting that the Master Plan included a needs assessment that determined what the demand was for certain programming. He said they had 18 months to begin the second phase, noting they had received a waiver of retroactivity from the State because the land was all donated at once. Mr. Horne said that waiver was giving them extra time to use that additional 25+ acres and still count the donated land as a match. So basically, he said, they would be gambling \$30,000 on the PARTF application to potentially get funding on Phase 2.

Commissioner Harrington said if they got the design done for both phases and assuming they got approval for the grant to actually build Phase 2, then that would take place in another 18 months. Mr. Horne said assuming everything went as planned, when Phase 2 would be completed. Mr. Horne said he believed that second part would be a 3-year contract. Commissioner Harrington said he believed this was a great long-term park, but wondered how much it would get used even in the next 10 years. He said if they were talking about a large open field and looking for another half-million dollars, what would they be building that people would actually be using and that they would actually be paying to be maintained. Commissioner Harrington said in other

words, once they actually had a park how much money would need to be put in to keep the other phase of the park viable for what they expected it to be used for. Mr. Horne said he shared his penchant for keeping it low maintenance, noting that low maintenance should drive the design. He said he did not believe that mounting bike trails would require a great deal of maintenance, noting that in other communities hard core mountain bikers took care of the areas they rode in.

Commissioner Harrington said he believed what they were saying was that putting in the \$80,000 now would be cheaper than having to come back after the fact and create a separate plan. Mr. Horne said that would cover planning and construction documents, and when it was time for the second phase it would be ready to do. Commissioner Harrington said then that \$80,000 would allow them to be ready for that second phase. Mr. Horne responded that was correct. Commissioner Harrington said then was he saying if they did not do those concurrently that it would cost much more later on.

Mr. Terry said he did not know that the cost would be dramatically more, but you would lose your momentum in moving forward. He said the key thing was they would be applying for the second grant while executing the first grant.

Commissioner Fiocco said then the \$80,000 was design and construction documents so that they could build Phase 2. He asked how much of the design of Phase 2 had anything to do with their ability to get the grant. Commissioner Fiocco asked was it important for the grant writers to see what they were proposing, and would it be a waste of money to design something to construction level that ultimately they could not get funded. Mr. Horne said you could design the second phase conceptually now, but believed the issue was primarily the timeframe.

Commissioner Fiocco said but the design they had used for this grant was not anything other than conceptual. He asked what it had cost to produce that, noting it did not appear that they needed to invest a lot of money in detailed construction documents of Phase 2 now. Mr. Horne said he believed they needed to start “shovel on the ground” for the second phase within 18 months, which started this April. He explained that they had 18 months from this past April to begin construction on Phase 2, or to at least get the PARTF funding grant for Phase 2.

Commissioner Fiocco said there was a big difference between beginning construction and getting funding. Mr. Horne said the engineering costs included in the budget was \$45,000 which was planning for conceptual design and not full build out construction documents for the second phase. He said that was why he had said that they likely needed more engineering to create construction documents, but that was not a decision that had to be made now. But, he said, there may be more engineering costs associated with getting Phase 2 ready to go, but was reimbursable.

Mayor Voller asked was there any place on the site where they could create a large water feature. Mr. Horne said it would have to be an artificial feature as there was no natural water on site. Mayor Voller asked what if they created a passive park and made a place for their reuse water to settle if they were not able to come to 3M, which would allow them to get credit for the wastewater and be able to allocate more to businesses in Town. He said that would actually make that asset work for them.

Commissioner Fiocco said to do that they would have to go to reuse quality level.

Mayor Voller agreed, but since they had the land it was worth looking into. Mr. Horne said the Recreation Board had looked at that but had not liked the idea, in that the sewage capacity you would gain was only about 10,000 gallons a day which would serve about 28 homes.

Mayor Voller said that was not what he was suggesting. He said he was suggesting creating a water feature that would become the spillway in case you could not provide your sewer or reuse water to 3M, and once they had that and went to reuse water they would have a safety valve so that they could get credit for the 150,000 gallons that they sent to 3M.

Commissioner Harrington said to clarify they were able to get the PARTF grant for \$480,000 without providing specifics, and they would immediately begin applying for the grant for Phase 2 now. He said then if they received that grant, it would then make more sense to do a budget amendment. Mr. Horne said they would still need the \$80,000 to get Phase 1 completed and the application for Phase 2 completed. Commissioner Harrington said if they got the second grant they could come back and do the design work and construction drawings then. Mr. Horne said they could look more closely at the costs and bring some numbers back.

Commissioner Harrington said he had thought that the \$80,000 was planning and construction documents for both phases. Mr. Horne said typically that would cover the first phase construction documents. Commissioner Harrington said he had understood it said that the \$80,000 was to get them ready to go with the second phase, but what Mr. Horne was saying that if they were actually going to build the first phase they had to spend \$80,000 for engineering and construction drawings. Mr. Horne said some of that would go towards Phase 2.

Mayor Voller said given that it would have to be allocated out of the General Fund or Fund Balance, where did they stand now as a percentage of Fund Balance to the budget. Mr. Terry said they were at just under 100%, noting the balance was about \$2.25 million and the total General Fund Budget was just a little lower than that.

Commissioner Harrington said they were talking about \$45,000 in design fees, planning and engineer. Mr. Horne said it was planning, engineering, permitting and some construction administration. Commissioner Harrington said that was that \$45,000 construction contingency and \$30,000 was grant writing and administration, so really there was no fee included for the design of Phase 2. Mr. Horne said that was correct, noting that he believed the next phase of design and permitting would be about \$55,000 but that would be reimbursed should they receive the grant.

Commissioner Harrington said they had a CIP summary in front of them, and asked exactly what did they need to do. He said there were many things in that summary, and was the question if they were going to pay the full amount budgeted as noted in the individual projects. Commissioner Harrington asked if they needed to go through each project and figure out which they would need to pull money from Fund Balance for. Mr. Terry said generally, yes.

Commissioner Harrington said the question was really which of those things they would fund. Mr. Terry said to remember that each time they funded a project, a project budget was created and the Board had another chance to consider the funding. He said the CIP was just a plan, and they would not really be funding it on June 14 with adoption of the budget; they would be funding it when he came to the Board with a project budget. Mr. Terry said they would be moving fairly quickly on the park and would be bringing the Board a project budget.

Commissioner Harrington asked if the Board would be asked for the \$15,000 for the Community House. Mr. Terry responded that was one that was in last year's budget but not a lot was accomplished, so it had slid back a year. Commissioner Harrington asked if the Board would be asked for \$285,000 for leases and renovations. Mr. Terry said that project was one the Board needed to discuss, noting that project would move the Police Department out of Town Hall and into its own building at another location.

Commissioner Harrington asked if they had the money for the Credle Street rehab. Mr. Terry said it was partially funded and could come to the Board very quickly. He said the grant was for \$496,126, and the Town's share would be half that amount of \$248,063. Commissioner Harrington said then that was an amount they would be asked to spend very soon.

Mayor Voller said but they had \$865,000. Mr. Terry said now that they knew the amount of the grant they could go back to the total of the grant and the match, which would be \$744,170.

Commissioner Harrington said then the Board would adopt a budget, and then the Manager would come back with a project budget for the Board to consider that would modify that adopted budget. He asked which projects, for all practical purposes, needed to be budgeted for now. In response, Mr. Terry said for the Credle Street project, they would be asking for \$248,063 likely within the next 90 days. He said for the 3M Park, if they created a project budget for that in the next 30 to 60 days that would be \$80,000. Mr. Terry said in regards to the Police Department building, if the Board agreed to that and they identified a building that would be \$60,000 for leasing and about \$220,000 for renovation once a building was located.

Commissioner Brooks stated that the current library had belonged to Pittsboro and they had given it to the County. He said if they could get the County give them the building back it could be used for the Police Department. Mr. Terry stated at present the County was using it for temporary offices for those displaced by the fire at the courthouse, and after that it would be used for administrative space.

Mayor Voller said they would never get that building back. He said if they were to do what they had discussed with the ABC Board and then rented them a space, it would be much cheaper than \$285,000 and they would end up with building space. Mayor Voller said there were other options and they needed to think strategically about that.

Commissioner Brooks said they could relocate the Police Department to the ABC building and put the ABC store in a shopping center.

Mayor Voller agreed, noting owners were desperate for long-term leases and they could rent space very cheaply. Mr. Terry said the building he was considering was the old post office building.

Commissioner Harrington asked if the Park Street culvert was coming out of the CIP. Mr. Terry said the Park Street/Oakwood Drive culvert project would include some work at Oakwood Drive and the cross street.

Commissioner Harrington said that the street resurfacing would be done using Powell Bill funds.

Mayor Voller said he believed that on Oakwood Drive and on 15-501 they could get money from the Powell Bill to do that work because the Powell Bill allowed you to spend money on stormwater improvements. So, he said, their Powell Bill balance was \$297,510. Mr. Terry said the balance the Mayor was referring to was a subset of their overall General Fund balance, noting that the Powell Bill money was restricted fund balance but was still a part of the overall number of \$2.25 million. Mayor Voller said but it was restricted to be used for a specific item and it was replenished each year through allocations. So, he said, some of the items in the CIP could be paid for with those restricted funds.

Commissioner Harrington said then the Park Street/Oakwood Drive culvert could be funded through Powell Bill funding since it was drainage and sidewalks. He said the Downtown Water Improvements project was budgeted for \$1.45 million for the coming year, and asked did the Board want to do that. Mr. Terry said that was the project they were submitting for a USDA grant/loan, and Hydrostructures was close to completing that document.

Commissioner Harrington asked if the Manager anticipated coming back and asking for funding for the backup generators, or was that going to be paid with a grant. Mr. Terry said the \$30,000 budgeted for next year was for an electrical engineer to design it, and construction costs would be budgeted for later.

Commissioner Harrington asked if Mr. Terry would be coming back to ask for funding for building renovations at \$150,000 for the Water Treatment Plant. Mr. Terry said that project would include renovations to the building that were not related to producing water, in that it would be renovation or replacing doors, windows, roofs, floors, and other delapidated parts of the building that needed attention. Commissioner Harrington asked if any of the renovations were safety related. Mr. Terry replied some had to do with building security, noting that with the chemical environment they had doors that were rusted out and door locks that operated poorly.

Commissioner Harrington asked if Mr. Terry would be coming back to the Board to ask for the \$150,000 for the wastewater clarifier. Mr. Poteat said that was design money for the coming year, and was to find better ways to thicken the solids before hauling so that they were hauling less water. Commissioner Harrington said they paid by the ton, so by reducing the water content the hauling fees were cheaper. Mr. Poteat said that was correct.

Mr. Terry noted that project went back to when Frank Efird was still with the Town and had pointed out that the small clarifier now at the plant was inadequate. He said it was a wastewater clarifier but it was located at the Water Plant.

Commissioner Harrington said then the intake improvement project was related to that. Mr. Terry said that was correct. Commissioner Harrington said the Wet Weather Flow improvement project was funded. Mr. Terry said that was already underway and they expected the project to be completed in October. He said beginning next year they would have an annual bill of \$62,320 to pay for it.

Commissioner Harrington said if the Board was to give him \$100,000, which of those projects on the CIP list he would fund first. Mr. Terry said one project that needed to be added to the list was \$100,000 for opening Springdale. Commissioner Harrington said the \$100,000 was the estimated cost, and they had a commitment to pay back \$60,000 of that. Mr. Terry said yes, noting the drawings that had been prepared for Voller Reality had been estimated by Jay Johnston at Hydrostructures at around \$70,000 2 years ago, so he was estimating \$100,000 at this point since they would need to retain someone for contract administration and inspection. Commissioner Harrington asked was that for everything. Mr. Terry replied yes. Commissioner Harrington said before it had been talked about including the road paving and everything else, but he had been hoping that would be closer to the \$60,000. Mr. Terry said the \$70,000 estimate they had received from Mr. Johnston was just for the work on 15-501 and some traffic calming on Springhill by creating an S-curve.

Commissioner Baldwin said she believed they were going to add sidewalks for 15-501 to the CIP. Mr. Terry said they could add that to the CIP, adding he believed it would have to be a multi-year project.

Commissioner Harrington asked how badly they needed the electronic radio meters. Mr. Terry said that was to upgrade their meters throughout Town, noting the funding stream had been in the CIP annually for quite a long time. He said they had been in an ongoing program to get rid of the old meters and replace them with electronic meters, so they were continuing that program each year.

Commissioner Fiocco asked how many meters could be replaced with \$50,000. Mr. Poteat responded the meters were \$285 each including the box caps.

Commissioner Harrington said a lot of money was being asked for this year, and they were going to have to say no to some of those requests. Mr. Terry said to answer his question about high priorities; he believed the design of the backup generators at the Water Treatment Plant was one of his high priorities. Commissioner Harrington asked what items would get them in trouble if they were really needed but did not have them. He asked in an emergency, could they just rent a generator that was wheeled in on a truck and ran on diesel that was then hooked into the system. Mr. Terry said you would have to change the electrical setup so that they would be compatible for such a setup, and there would be some costs associated with that. He said they would likely have to change out the electrical panel which had been mentioned before to be somewhat dangerous. Commissioner Harrington said if they had something dangerous there that was

causing people to be shocked when touching it then why was that not the first, highest priority since it was a safety issue. Mr. Terry said he had not heard about anyone being shocked. Commissioner Harrington said he hoped that was said just to make a point, but it still sounded as if it was something that needed to be done in any case.

Mayor Voller said Commissioner Harrington had an excellent point, in that if it was a safety issue then it should be the first priority. He said he understood that Mr. Terry had just become aware of it, but safety had to be first above anything else.

Commissioner Harrington said there was a lot in the CIP they needed to think about, and asked if all of those projects really needed to be in the budget. He said there was the budget that was the hard and fast budget, but the CIP was projects that had been identified as needing funding. Mr. Terry said that was correct, but he would like to have some guidance on priorities. He said if there were projects the Board wanted to bump out a year or more, then they could go ahead and do that. Commissioner Harrington said there were things in the CIP that were a priority, such as the backup generators. He said funding for the park was in some ways less important but was still urgent in the sense that they needed to make a decision. Mr. Terry said that was correct in terms of having a deadline to meet and risking having to walk away from a grant and setting the project back.

Commissioner Harrington said the Haw River intake project was very important, and that was \$50,000. He said if he had to choose between getting the intake done and putting \$80,000 in the park, he would choose the intake project. Mr. Terry said those two projects were not in competition for funding since they came from different fund sources.

Commissioner Fiocco said then the CIP encompassed both budgets. Mr. Terry said that was correct. Commissioner Fiocco said he believed they had some line items where they were taking from the General Fund and putting it in the Enterprise Fund, and then taking it back from the Enterprise Fund and moving it over to the General Fund. Mr. Terry said in the operating budget they actually charged the Enterprise Fund for work that was done, so the Enterprise Fund reimbursed the General Fund in those cases.

Commissioner Harrington asked what they needed to do tonight, noting they had an Add List they had not yet discussed and had not gone through the Debt Service although that was primarily informational. He said he believed the Manager needed the Board's opinion on the Utility budget as far as the rate changes. Mr. Terry suggested going down the CIP project list and taking a vote of whether to leave it in or move the funding out to future years. He said it was important to remember the Board was only creating a plan.

Commissioner Harrington said he understood that, but the bottom line was that the Manager would be coming to the Board and asking for funding. So, he said, he had not yet decided what the priority might be. Mr. Terry said he would go down the list and the Board could talk it through. He said that the 3M Park was an imminent project and a budget would be created for that very soon. Commissioner Harrington said to clarify, the \$80,000 would not mean that there was a park or there would not be a park. Mr. Terry said that was correct, noting he was recommending a way to get that park done and to prepare for the second round of grants. He

said if that recommendation was not accepted they could go back to a smaller number and do only Phase 1. Mr. Terry said they would be risking losing a year based on what might happen later.

Mr. Terry said the Community House improvement was a small project and it was up to the Board to decide whether to do it now or later, and the Police Building could easily be deferred to future years. He said the Credle Street rehab had just been funded with a grant so the project was imminent, and he would be coming to the Board fairly quickly with a project budget to begin that work.

Commissioner Harrington said the Board had known that was coming, and they would not want to walk away from the grant. The Board agreed by consensus.

Mr. Terry said the Park Street/Oakwood Drive culvert project was not competing for Enterprise Fund money but would come from the General Fund.

Mayor Voller said that would come from Powell Bill money.

Commissioner Harrington said for some of those projects they would need to decide which they would spend Powell Bill money on, so they needed to be looking at that. Mr. Terry asked how strongly the Board felt about the flooding at the bottom of Oakwood Drive.

Commissioner Brooks said he did not believe it was the Town's responsibility. Commissioner Baldwin agreed.

Mayor Voller said it was a water quality issue, and suggested referring this issue to the Roberson Creek people and asked them to look into it, and they should tell the developer that he would have to contribute "X" amount to address the issue.

Commissioner Harrington said the Town had an obligation to keep water in the ditches and off the streets, so to some degree he believed the south side ditch was gone and the water was likely traveling straight across the roadway. He said with that said, it appeared that would fall under the same obligation the Town would have for other ditches around Town. Commissioner Harrington said the problem here was where the ditch was located.

Commissioner Baldwin agreed, noting the back of the house was not a ditch, and that's where the water was located. Mr. Terry said to clarify, he believed the project needed to be done but it was important to note that the gentleman who had come before the Board to complain about the flooding situation would not be helped at all by this project. He said this project was for the bottom of Oakwood Drive where there was a large dip and it frequently overflowed with water. Mr. Terry said because of the elevation that gentleman would not experience any relief, but the frequent flooding did cause the road to be washed over. He said the situation had existed for 20 or so years so it could be put off to next year if the Board wanted to do that.

Commissioner Fiocco asked how often the road was inundated with water. Mr. Terry responded a couple of times a year.

Mayor Voller said he believed it was important that they used Powell Bill money to fix areas in Town that had issues with stormwater. Mr. Terry said he could leave it in this fiscal year and the Board could discuss it again when he came back with a project budget. He said the same was true for street resurfacing, noting they would identify the streets for the coming budget and would come back to the Board with a project budget for discussion.

Mr. Terry said he believed the Board should fund the Electronic Radio Meters because that was an ongoing program to upgrade the meters, and funding would come from the Enterprise Fund.

Commissioner Harrington asked how many houses would that funding cover. Mr. Terry responded about 280. Commissioner Harrington said they should see some costs saving associated with that at some point. Mr. Terry said yes, over time. He said with the new meters the reader did not have to exit the truck, but with the old meters he had to exit the truck and gain access to the meter which took about 5 minutes each time.

Commissioner Brooks asked what the Town charged someone who was having a problem with their meter. Mr. Terry said they did not charge for that, noting they received a few complaints a year from people who believed the meters were wrong, but they were almost never wrong. He said they would check out the complaint and spend some man hours convincing the person that the meter was not wrong, but he did not believe they had ever charged anyone for that service.

Mr. Terry the Downtown Water System Improvements project had a grant application going in this year and believed it needed to stay in the budget and see if the grant came in.

Mayor Voller said that was an important project, and asked had they sent in a request to the County asking them to contribute to that project. Mr. Terry said he had informally talked with the County Manager about that but had not done anything more formal as yet. Mayor Voller encouraged him to do that now as the County would be holding their budget hearing on June 1.

Mr. Terry said that the Water Plant backup generators were important and he would at least like to do the design work. He said for the Water Treatment Plant building renovations, there was a lot that needed repairing but believed they could break it up into 2 or 3 smaller projects if necessary.

Commissioner Harrington asked him to advise them whether that should include the electrical work mentioned earlier, noting that certainly seemed like a renovation. Mr. Terry said they could include \$75,000 this year and \$75,000 for the next to cover those renovations. He said the electrical system on that building would have to be upgraded before they could hook up to an emergency generator, noting that an automatic transfer switch would be necessary. He said they could do the design work this year and the construction in the following year.

Commissioner Harrington asked was he saying that he would need to do some electrical upgrades in order to use those backup generators. Mr. Terry said that was a part of the installation costs, noting the \$30,000 was just for design.

Mr. Terry asked Mr. Poteat to speak on the urgency of the Wastewater Clarifier. Mr. Poteat stated that they would have to spend the money hauling the product or they could find ways to thicken it up by way of an additional clarifier or a digester.

Commissioner Harrington said they were incurring most costs now because of the sludge, and asked was he saying they could bring those costs down by adding the clarifier. Mr. Poteat said yes. Commissioner Harrington asked what the payback would be. Mr. Poteat said it was too soon to say, noting they would not know until they began the process. Commissioner Harrington asked did he believe they would be able to cut the sludge hauling in half. Mr. Poteat said he had no way of knowing.

Mr. Terry said the strategic question on that was that the Water Plant was a 2.0 MGD plant and they were making only 500,000 gallons of water a day, so they were only at one-quarter capacity. So, he said, the sludge issue would grow as the Town grew.

Mayor Voller asked wouldn't it make sense to become a joint service on water with the County rather than throwing all that money into old buildings and equipment. He said now they were talking about future upgrades, and why not just cut a deal with the County and concentrates on their Wastewater Treatment Plant where the real money was and where they would have to expand. Mr. Terry said that was a big question. Mayor Voller said they would have to keep throwing money at it until they got to Jordan Lake, and they could spend \$1 million on that when it would be better spent on the Wastewater Treatment Plant where they would actually get capital money back and open new businesses. He said they could create their own version of OWASA by creating a deal with the County.

Commissioner Harrington said that was a good question, but it had its own financial issues as well. He asked if the \$150,000 budgeted for that project was for design. Mr. Terry responded yes.

Mayor Voller said he would like to pursue a joint venture with the County. Mr. Terry responded that was partly a fiscal question and partly a political question. Mayor Voller said it was also an economic question.

Mr. Terry asked could that be pushed back a year without catastrophic results. Mr. Poteat said he believed so.

Commissioner Fiocco said wasn't it the ferric sulfate process recently implemented that was generating the additional sludge costs. Mr. Terry said that was correct. Commissioner Fiocco suggested giving it another year to see what the effect was. Mr. Terry said he could bump it back out a year. There was no objection from the Board.

Mr. Terry said the next project was the Haw River De-silting, which was an annual maintenance cost, and was a must do.

Commissioner Harrington asked did it cost them \$30,000 to de-silt. Mr. Terry replied that once a year they hired a firm that went in with a huge back-hoe and dug the muck out of the mouth of

the intake, and it remained clear for several months and then began to silt back up. Mr. Terry said he believed the Haw River Intake project was a must do as well, which was budgeted at \$20,000 for design work.

Mr. Messick arrived at 8:10 p.m.

Commissioner Harrington said he believed they should at least count on getting some preliminary information on the Intake project before they went forward with design. Mr. Terry said they could hire someone to provide an analysis or condition assessment. Commissioner Harrington said that would make a lot of sense. Mr. Terry said he would like to leave those two projects where they were. He said the next project was the 3.22 MGD Plant, and believed they needed to leave that one where it was until he was able to strike a deal with the development community. Mr. Terry said that was somewhat of a pipe dream in any case.

Mr. Terry said the \$100,000 for Springdale was coming from the General Fund and he believed that was affordable. He said if they could close the deal on the contract for the \$60,000 reimbursement he believed they should leave that one where it was.

Commissioner Harrington said to clarify they had an offer for \$60,000 payable over 3 years. He said he supposed some of that could be attributed to traffic control and could be Powell Bill funds, but he was somewhat surprised by the cost. Commissioner Harrington said it had been his hope that could be done for the \$60,000, so he was disappointed that was not the case. Mr. Terry said in the current economy who knew what the bids would come in as since they were still in a downturn. He said they may get a great bid, noting he had added some funds for contract administration which had made the number somewhat bigger. Commissioner Harrington said would they have to retain the person who had drawn the plans. Mr. Terry said yes, noting he would not want to try to find another engineer at this point.

Commissioner Brooks asked what would happen if the amount of money allocated turned out not to be adequate. Mr. Terry said that would be known when the bids came, and he would report back to the Board at that point.

Commissioner Harrington said he was somewhat nervous putting that on the CIP because once it was there it might find its way to becoming something else. He said he was nervous about putting it in with a dollar amount until they had a separate discussion about the contract and other issues.

Commissioner Brooks said he believed Mr. Poteat had told him in the past that the water line running along there was the old type was asbestos in it. Mr. Poteat said there was a lot of AC pipe on Springdale. Commissioner Brooks asked how deep it was. Mr. Poteat said probably about 3 feet. Commissioner Brooks said if they took on the project and they broke the line, would that not result in a considerable expense. Mr. Poteat said they could fix it at that point because they had AC pipe in stock left over from the 15-501 expansion. Commissioner Brooks said if they took on the job and broke the pipe it would be the Town's responsibility to fix it.

Mr. Terry said they did not need to list the project on the CIP in order to do it.

Commissioner Harrington said he would prefer not to list it. He said he would rather the Board have an in-depth discussion about it and make sure they all understood exactly what was entailed, and then make a decision on how to proceed.

Mr. Terry said if the Board wanted to include the sidewalk project mentioned by Commissioner Baldwin, Mr. Poteat had projected him with a rough estimate that approached \$500,000. He said he could add that project to the CIP that added \$50,000 a year for 10 years and chip away at it in that manner.

Commissioner Harrington said they absolutely needed that and it should be added to the CIP, especially if they did not have to spend money on it this year. Mr. Terry said they could put it in at \$50,000 a year for 10 years, and then bring the Board a project budget and they could decide to fund it or not fund it at that point. Commissioner Harrington said he believed there had been talk for several years about widening 15-501.

Mayor Voller said they were talking about putting in a third lane in all the way from US 64 down into town, and they would be looking for someone else to pay for that so they did not have to.

Commissioner Harrington said he would not want to build a sidewalk if DOT was going to come back and tear it up to widen the road. But, he said, the Mayor was saying it was only a long range plan so it may never happen.

Mr. Terry said in regards to Rock Springs Park, he would put the \$120,000 in the CIP but would bump it back to the following year. He said that would allow time to judge the demand.

Commissioner Harrington said he believed they should move forward with the Community House improvements as well as the restroom at the park.

Commissioner Harrington asked if they could seek bids on Springdale or did they have to have already approved it before that point. He said if they could get bids and see what they came in for, then they would know whether the \$100,000 was too much or not enough. Mr. Terry said contractors were not fond of working in that manner, noting they had to put in a lot of work to prepare a bid.

Commissioner Bryan said they also did that kind of work every day and could likely provide them a ballpark estimate that was within a few thousand dollars of the cost.

Mr. Terry said the next item for discussion was the Add/Cut list. He said on the Add List, the first item was employee compensation options. Mr. Terry said he was looking to get the contribution up to 5%, but because it was a bad year he was suggesting including 1.25% this year at a cost of \$6,550 in the General Fund and \$8,900 in the Enterprise Fund, and then getting it to 5% by including another 1.25% next year. He said in terms of a cost of living increase, he was suggesting 2% for all employees at a cost of \$27,350 in the General Fund and \$10,000 in the Enterprise Fund.

Commissioner Brooks said he was in favor of the cost of living increase, and asked if they had to do the 401k increase. Mr. Terry responded they did not have to do either one; it was only a recommendation. Commissioner Brooks said he was trying to think of it from the standpoint of the employees and the economy in the country at present, and he believed they might choose to have the 2% pay increase rather than the 401k contribution.

Mayor Voller said he was in favor of both recommendations, but he also wanted performance from employees.

Commissioner Bryan said in the private sector and in this economy, many people were thankful just to have a job, much less a possible increase in salary or 401k. He said he believed at the retreat it had been said that Pittsboro was one of the very few if not the only one that provided any kind of an increase last year. Mr. Terry said one option would be to do as they had done last year, which was to come back with a mid-year financial report and consider a mid-year adjustment in January.

Commissioner Fiocco said he would be supportive of the cost of living increase now.

Commissioner Brooks said he would be as well, noting there was a lot of inflation now even with the poor economy, and would rather provide the 2% now and consider the 401k in January. The Board agreed by consensus to include the 2% cost of living raises now and consider the 401k increase in January.

Mr. Terry said the next item on the list was the Town Engineer position, noting everyone recognized the need but the cost was high.

Commissioner Fiocco said he thought they were going to check to see if they were actually billing correctly for the services of Jay Johnston on the various projects, because there had been a question as to whether they were actually doing that. Mr. Terry said they did charge inspection fees but had not had a chance to look at a detailed analysis. He said he did believe they were losing money on that, noting they had a flat fee. Commissioner Fiocco said they had a plan review fee of \$90 an hour, and if Mr. Johnston was going to charge more than \$90 an hour then they needed to look at that. Mr. Terry said he believed what was happening was they were charging \$90.00 but it sometimes took Mr. Johnston more than an hour to do the review. Commissioner Fiocco said they should be charging \$90 an hour and not a flat fee of \$90.00, noting that service should pay for itself. Mr. Terry said he had not done the analysis.

Commissioner Fiocco said that was part of what he thought about in terms of whether they should hire a Town Engineer, or should they just bill for the engineering work being done for the Town instead of just paying it as a pass through.

Commissioner Brooks said they certainly needed to bill for the real costs and not at a flat fee.

Commissioner Fiocco said they needed to understand if they were or were not losing money in the transaction.

Mayor Voller said as discussed earlier, the way it will pay for itself is through in kind or like kind when they did grants by the engineers providing services. He said that was how it became a big benefit. He said a Town Engineer would be a big benefit, but it was a huge cost to bite off and was why it keeps getting pushed back each year.

Commissioner Harrington said if it did support the grant obligations they were suffering from in terms of not being able to cover our engineering costs because the engineers used were not part of the Town staff, that obviously was a bit benefit.

Mayor Voller said had they had a Town Engineer they would have saved \$50,000 on the sidewalk contract, which would have paid a third of the costs for a Town Engineer. He said they would only need a few of those for the position to pay for itself.

Commissioner Harrington said it seemed like having that position would be a big benefit. He said he believed that person should be a P.E. Mr. Terry said he absolutely agreed. He said another issue surrounding that was where that person would have an office, noting that by nature of the work they did they would need room to study blueprints and a certain amount of equipment to do their job including a vehicle. He said the first year costs noted on the Add List included the cost of a vehicle. Mr. Terry said he had talked with Jay Johnston about the cost of renting space in his building, so that was a possibility.

Commissioner Brooks said that the Mayor frequently talked about County/Town cooperation, and wondered if David Hughes, the County Engineer, would have room in his office. He said that would also provide for better coordination with the County. Mr. Terry said that was perhaps a better idea than putting an engineer at Hydrostructures.

Commissioner Harrington asked exactly what would the engineer be doing if they were here. Mr. Terry said first, all of the site plan reviews now contracted out would be done in-house. Commissioner Harrington asked what was on the horizon now; say in the next 2 to 3 weeks, that this person would have been specifically assigned. Mr. Terry said he believed the person would spend 50% of their time on project management, such as the downtown water system project. Commissioner Harrington asked would they still have to pay Jay Johnston to oversee that if that person was not there. Mr. Terry said there would be contract administration fees, which provided for project management including quality control.

Commissioner Harrington said specifically, what had been done over the last few months where they might have benefited from having a Town Engineer on staff to help? Mr. Poteat said they had had a situation with the new roundabout regarding the water utility regarding not wanting to put in valves. He said they were spending a lot of time at present just watching the work being performed.

Mr. Terry said another example was the \$2.5 million grant project at the Wastewater Treatment Plant, noting he and Mr. Poteat were co-managing that project. He said they had had to manage the bidding process, they had to oversee the change orders, and they had to keep track of funds coming in and going out. Mr. Terry said other things were being put off because he had to spend so much time doing those kinds of oversight.

Mayor Voller said the description of the position should require that the person be a P.E. so that they could seal plans. Mr. Terry agreed, noting the description he had provided was not meant to be a job description. He said the reality was that the cost of a professional engineer would be more than his salary, and to get someone experienced they would have to pay for that.

Commissioner Fiocco said that State regulations changed every day, and a Town Engineer would keep the Town out of hot water. He said the person would have to come with a lot of skills and be qualified to do the things the Town needed them to do. Mr. Terry said he had not figured out the split, but part would be paid by the General Fund and part by the Enterprise Fund, likely heavily weighted to the Enterprise Fund because of the types of projects that the Town did.

Commissioner Brooks asked could they use any of the fee structure in place for site plans and the like towards the cost of that position. Mr. Terry responded yes, noting that the site plan review provided by Jay Johnston they had just had done for Powell Springs had cost them upwards of \$2,500.

Commissioner Fiocco said they had not even reviewed the stormwater management plan yet.

Commissioner Harrington said then that person could have done that work. Mr. Terry responded yes. Commissioner Harrington said they needed to hire a Town Engineer.

Commissioner Fiocco said there was still a lot of work to be done on that project, so there were more costs coming. Mr. Terry said that was correct, noting that when the project started to go in Jay Johnston would be putting in more hours for inspections. He said he believed a Town Engineer would be capable of performing all of that work.

Commissioner Baldwin said she believed that they would actually be saving money by hiring a Town Engineer.

Commissioner Bryan said it would depend. Mr. Terry said there would be some cost avoidance in terms of what was being paid out.

Mayor Voller said they could save money because that person would be a very valuable tool in their tool box, and if they were used properly they would save the Town money especially if they were not assigned “Mickey Mouse” tasks. He said if they did real engineering they would save them money. Mayor Voller said if they got involved with grants it would save a ton of money, noting they had only to look at what they had paid out to Hobbs and Upchurch. He said it would not save them money to have the Town Engineer doing zoning compliance work that someone else could be trained to do, but they would save money on the big ticket items.

Commissioner Harrington said in regards to item 3, the Administrative Assistant for the Finance Department, he would say no since it had less importance than the Town Engineer position. He said he would say yes to item 6, which was \$4,000 for the First Sunday events. Commissioner Harrington said in regards to item 5, which was reclassification of the Town Planner position, he wondered if it made sense to continue to contract out planning for a year.

Commissioner Fiocco said he did not think so, noting that the daily activities were important and there were long range plans they needed to begin moving on because of what was looming in the future as far as development potential. He said they really needed to be using the time provided under the moratorium to get the job done. Mr. Terry said that could be done through the contractor, but at the hourly rate they were being charged it would likely be \$180,000 for a year.

Commissioner Harrington said still wondered if \$60,000 was enough salary, noting he did not to hire someone who was working to get experience so he could move on to Cary or someplace else. He said he wanted to get a person with experience and who would stay for awhile.

Mayor Voller asked if the Board was in agreement on item 6, the \$4,000 for the First Sunday events. The Board agreed by consensus.

Commissioner Brooks said they needed to have a Police presence when that even was going on to direct traffic and keep an eye on things. Police Chief Collins said he would make sure someone was assigned.

Commissioner Harrington said he would say yes to item 5, the reclassification of the Town Planner position.

Commissioner Fiocco said to get a top notch planner he believed their target number was \$75,000, which he believed was the lower rung of the range. Mr. Terry said he would agree 100% but that totally fractured their pay and classification system. Commissioner Fiocco said he believed that was what it would take to get the person they needed. He said he was not disagreeing about the cost, but if the Board wanted to hire world class employees then they would need to put more money on the table.

Commissioner Harrington said they already had employees that were just as valuable as this position would be.

Commissioner Baldwin asked why not just raise the salary from \$55,000 to \$60,000.

Mayor Voller said he did not disagree, and asked Mr. Terry to give the Board a proposal of where those positions and salaries needed to go in order to be aligned with the pay structure. He said the single biggest issue the Town would face in the next 10 years was growth, and they needed people in those positions for the public's benefit. He said the Planner needed to be someone that was skilled, and if others near that salary range needed to be re-evaluated then bring a proposal to the Board for discussion. Mayor Voller said that performance should translate into value for the public, but they would not get someone skilled if they kept going after middle-of-the-road people that were either going to leave very soon to work for a bigger town or they had other issues and could not move on to someplace else.

Mayor Voller said he realized that it would be a morale problem when salaries were not aligned, so Mr. Terry should evaluate that and come back to the Board with suggestions for adjustments. Mr. Terry said one way to accomplish that would be to initiate a pay and classification study that

looked at the entire Town's pay structure and attempted to put the Town's salaries in line with what the regional market was paying for various positions.

Commissioner Brooks said he had a problem with people having a morale problem because so many others were out of a job. Commissioner Bryan said that was his point as well.

Commissioner Harrington said in regards to item 4, the Compact Pickup Truck for the Streets Division, he would say no. He said he did not believe they had taken a formal vote, but he would vote yes to item 2, the Town Engineer position.

Mayor Voller said to summarize, item 1a, the 401k increase, was delayed until January, and item 1b, the 2% cost of living increase, had been approved. He said in regards to item 2, the Town Engineer position, Commissioner Harrington was advocating in favor of it.

Commissioner Fiocco said he was in favor of it.

Commissioner Baldwin said she was in favor of it was well, but would like to have the grant management portion included in the Town Engineer's duties. Mr. Terry said the Town Engineer might be involved in some oversight, but not to a great degree. Commissioner Baldwin said then Mr. Terry would rather that position not be that involved. Mr. Terry said that was correct.

Mayor Voller said it appeared they had a consensus that the Town Engineer position be included, and that the person had to be a P.E. The Board agreed by consensus.

Commissioner Bryan asked how they would pay for all of that. Mr. Terry said that 50% would come from the General Fund and 50% from the Enterprise Fund, which would be either from Fund Balance or through a rate increase.

Commissioner Fiocco said then perhaps they needed to look at increasing the plan review fees that the position would be in charge of. He said part of their fee structure could be adjusted to help offset the salary.

Commissioner Bryan agreed, noting they could look at fee structures used by other jurisdictions.

Mayor Voller asked if the amount noted would fund the entire position, including all equipment. Mr. Terry responded yes, noting it included salary, leasing space, purchasing a vehicle and office equipment. He said costs for the next and succeeding years would not have all of those expenses. Mr. Terry said he was proposing hiring at around \$77,000.

Mayor Voller asked if Mr. Terry would incorporate Commissioner Brooks' idea about talking with the County about perhaps co-locating the Town Engineer in the County Engineer's office. Mr. Terry said he would, noting that was a better solution than renting space at Hydrostructures. He said the other alternative would be to section off a room in the lobby area, but he did not believe that would allow enough room for the work the Town Engineer would be involved in.

Commissioner Fiocco said if that person was in the County environment they would have access to other professionals, and it would be a good situation for that position.

Mr. Terry said in thinking about the recruitment and hiring cycle, he could reduce the costs to 75% of the amount noted because it would take several months to get someone on board.

Commissioner Brooks said he was impressed with David Hughes as an engineer, and asked could he legally be involved in the interview process and perhaps provide advice on the types of skills they needed. Mr. Terry said he would absolutely like to do that, and would also like to have Dianne Reid be involved as well. Commissioner Brooks said it was a highly technical field and they needed someone who would add value to have a professional engineer involved in the process.

Mr. Terry asked the Board if he was hearing a “yes” to item 2, the Town Engineer, at 75% of the amount noted. The Board agreed by consensus.

Commissioner Fiocco said he believed a civil engineer was the way to go. Mr. Terry agreed.

Mayor Voller said it had to be a civil engineer, not a mechanical engineer.

Mr. Terry asked about item 4, noting that the compact pickup truck was 20 years old. He said every time they put tires on it, they were spending more than the replacement value of the truck.

Commissioner Harrington said they would always come out better financially by repairing a vehicle rather than replacing it.

Mayor Voller said he assumed they were saying no to item 3, the Administrative Assistant in the Finance Department. There was general consensus by the Board. Mayor Voller asked if they could at least bring that back in January for discussion. There was no objection from the Board.

Commissioner Harrington said if the truck broke down, and they were facing a huge repair bill, and then of course bring that back to the Board.

Mayor Voller asked what happened to all the vehicles seized by the Police, noting that he understood they were supposed to be sold and the money go to the schools. But, he asked, was it possible that the Town could get one of those. Mr. Terry said he would not advise trying to do that.

The Board held a brief discussion regarding the salary for the Town Planner, with \$65,000 suggested. Mr. Terry said he had \$55,000 in the budget now, and believed the former Planner was making \$58,000 when he had retired.

Commissioner Bryan said Commissioner Fiocco had suggested \$75,000 and the Manager had budgeted \$55,000, so it appeared they were splitting the difference. The Board agreed by consensus to set the salary at \$65,000.

Mr. Terry said the last item on the Add List was Police vehicle replacement, noting this car would replace a 2000 Crown Victoria that had over 112,000 miles on it. He said if they did it as a Crown Victoria unmarked patrol car, it would cost \$27,500 but they could save a little money by going with a Chevy Impala. He said he was not advocating for that because there was no Chevrolet dealer nearby to provide maintenance and it was a small, less capable car.

Chief Collins commented that they already had one car in the budget, and if he could get one more vehicle for the K-9 unit he would be happy. He said he could get a 2010 SUV Ford Explorer for \$21,000, and another \$13,000 would provide all the necessary equipment including the cage for the K-9. Chief Collins said with those 2 cars added to the fleet he would be satisfied. He said the 2000 patrol car used by the K-9 unit had 124,000 miles on it.

Commissioner Brooks said he had done a little math and knew that the Chief would not agree with him, but he did not like all the driving back and forth to work by officers and the public did not like it either. He said if 10% of the mileage on the vehicles was attributed to that then that was over 150,000 miles put on Town vehicles by officers traveling to and from home. Commissioner Brooks said he had thought the limit was 15 miles but there were officers driving much farther than that. He said that the Police Department budget was roughly equivalent to every penny of ad valorem taxes that the citizens of Pittsboro were paying. Commissioner Brooks said he understood there was grant money in the budget, but the Police budget was over \$1 million. He said the public did not particularly understand why they had to spend over \$1 million on a Police Department with only 2,500 people in Town. Chief Collins said if you looked at his budget he had not had any increases for the past three years other than salaries. Commissioner Brooks said he had been on the Board for over 22 years and the Police Department had extra money every year, and added that the Police had a public relations nightmare on their hands. He said he believed the Police Department was spending way too much money for what the Town was getting.

Mr. Terry said to put the cars in perspective, the car the Chief had quoted a price on was on the Cut List, and the car in the budget was for the K-9 officer. He said he would not recommend removing that car from the budget, noting it had 124,000 miles on it and had just been involved in an accident that was costing \$2,000 for repairs. Mr. Terry said he would support not cutting that vehicle out.

Mayor Voller asked if the mileage Commissioner Brooks had referred to was the overall mileage driven by the officers while going about their duties and going back and forth from home. Chief Collins said the mileage he had provided was the mileage on the cars and it included driving to and from their homes.

Mayor Voller asked how did the Board measure success by the Police Department, noting their mission was to provide safety. He said they measured Mr. Poteat's success by producing good quality water and processing sewer, so what was the measurable success of good public safety. He asked was it having a low crime rate or was it having people feel safe in their Town. Mayor Voller said they needed to have a real discussion about what success was, because when citizens complained they had to have an answer that they were following a policy that had been set forth. He said citizens would be arrested if they broke the law, but if it was an abuse of power that was

another thing. Mayor Voller said they needed to have that frank discussion so that when they were discussing the Police budget they would know and the Chief would know how that success was measured.

Chief Collins said he was very sorry that one or two of the Commissioners felt that way. He said personally speaking and on behalf of his staff, they worked their butts off to keep the crime rate low, noting they did not see murders or gang activity in Pittsboro. Chief Collins said they worked their butts off to keep the drug cartel down, but crime was increasing and they were doing the best job possible with what they had. He said they did not have fancy equipment and did not purchase a lot, noting they instead patched and repaired to keep things going and sometimes purchased items out of their own pockets. Chief Collins said that was likely something the Board and the citizens did not realize, and he did not understand why the citizens would believe the Police were not doing a good job. He said they were doing the best job possible and put their hearts into providing a safe community yet they received ridicule from many. Chief Collins said that was very disturbing, and if he or his officers were doing something wrong then he wanted to be told that. He said he wanted to know what he could do better for the community, noting he had given 26 years to Pittsboro and he could not believe that what he received in return was to be told they were not doing a good job for the community.

Chief Collins said he lived and worked in Pittsboro and had believed they had a good community, but apparently he was wrong. He said he was responsible for the Police Department, and asked the Board to please tell him what they wanted from him. Chief Collins said he would even step aside if the Board believed that was a solution. He said they were trying to provide the citizens with a safe community, and apologized to the Board if his comments were out of line.

Mayor Voller said he understood it was an emotional issue, but the bottom line was there needed to be an understanding that everything was measured for success. He said people did not like to get arrested and complained even when they were guilty. Mayor Voller asked Mr. Messick for his opinion since he represented the public in Pittsboro. Mr. Messick said there was a difference in how you measured the success of the Police Department and how you measured the success of other Town departments. He said it was up to the Board to determine if they wanted parking enforced more diligently, if they wanted speeders to be caught more often, if they wanted to get people out to First Sundays, or whatever. Mr. Messick said those types of things were issues that the Board needed to provide the Chief with feedback on so that he could respond to what the Board and the Manager wanted him to do.

Commissioner Bryan said in Commissioner Brooks' defense, there was a thing called common sense that perhaps some of the officers were not using. He said a specific example was that Commissioner Brooks had been approached by a person who said he was nearly arrested because he was drinking a beer on his lawn mower two miles out of Town. Commissioner Bryan said that was the kind of thing that the Board members heard from citizens. Chief Collins said those were the kinds of things that he did not hear about. Commissioner Bryan said the man had to take a breathalyzer when he was on his lawn mower. Chief Collins asked was an arrest made. Commissioner Bryan said he did not know, but that kind of thing was just not good publicity.

Chief Collins said there were many, many laws to enforce, and if someone was drinking in public or consuming alcohol on a State roadway then they had to respond to that.

Commissioner Brooks asked if he knew if a police officer had ever used his blue lights to get through an intersection to get someplace privately. He said he had followed just such a police officer and the officer had gone to Hardees. Chief Collins asked had he responded to Hardees on a call. Commissioner Brooks said he did not know, but he was not inside long. He said that people saw such things and did not like it. Chief Collins said whatever the Board supported, he would do.

Commissioner Baldwin said in defense of the Police Department, she had talked to some of the officer's one on one about some of the things that were going on in Pittsboro, and they told her about the different situations and the crime they were trying to control. She said she had not run across officers who had done what Commissioner Brooks had described, but she believed those she had talked with were doing a good job. Commissioner Baldwin said there were perhaps some officers who needed to use better judgment, but believed most did uphold the laws and made Pittsboro a safer place.

Mr. Terry stated that Judge Joe Buckner was in the building a few days ago and shared that he was particularly complimentary of the Pittsboro Police Department in the way they handled their cases. He said Judge Buckner said when they came to court they were prepared and professional and conducted themselves in that manner, and he appreciated that.

Mayor Voller said this discussion had no place in the budget discussion, but people did need the opportunity to speak on it. He said this could be a discussion that could be held off line, and policies could be discussed at another time.

Commissioner Brooks said he had talked with people who were pleased with the services of the Police, and had talked with officers who seemed to have a real interest and concern for the community. But, he said, he had also witnessed police officers driving at a high rate of speed and hoped they did not hurt anyone doing that.

Commissioner Fiocco at the end of the day it sounded like some of the feedback Commissioners were hearing was not being relayed to the Chief, so he could not respond to it. He said he believed they could have a constructive forum where those kinds of issues could be shared so that the Chief was more knowledgeable and thereby be able to deal with them. Commissioner Fiocco said he believed they should stay constructive and try to assist the Chief to do the best job he could by providing him with feedback and information that the Board was receiving from the community. Chief Collins said he was very open to that and would appreciate it.

Commissioner Harrington said he, too, had heard things regarding a case being handled by the Police Department that was not good, but he had also heard good things as well. He said the Police officers that he knew personally were good people, and he had been told by one that Chief Collins was the best Chief he had ever worked for. So, he said, he knew they had a lot of good officers on the Police force, and knew that the Chief was doing a good job. Commissioner Harrington said he did believe there had been some incidents that had caused concern, but if the

Chief was not being made aware of them then that in itself was a problem. He said he was glad that the Chief was open to constructive criticism because there may be times that the Board received a complaint from a citizen that they may needed to sit down and talk over. Commissioner Harrington said it was his hope that some constructive dialogue would come out of this discussion, adding he had heard much more good than bad, but some things he had heard had been of concern.

Commissioner Brooks said he was not an enemy of the Police Department and in fact if you looked at his record over the years he had been pro-Police Department. But, he said, since the time of the courthouse fire he had been receiving between 3 to 5 complaints about the Police every day.

Mayor Voller said there were many jurisdictions where there was a Citizens Advisory Board where citizens could air complaints, but it should not take months after an incident for the Chief to hear about them. He said there had to be a better way.

Commissioner Harrington he heard one thing that had turned out not to be true, so things did get embellished in the wrong way. He said there may need to be some fact finding done when such complaints were received.

Mr. Terry said the decision for the Board at this point was whether they wanted to replace 1 Police vehicle, 2 Police vehicles, or no Police vehicles. He said if they were going to fund only 1 he would recommend that they fund the K-9 vehicle.

Commissioner Fiocco asked what they would do for the K-9 if a vehicle was not funded. Mr. Terry said they would use the older one being repaired now and try to limp it along for another year. He said he did not recommend that because they were already experiencing engine failure and other major issues. Mr. Terry said it was his recommendation to replace that vehicle by approving item 7 and accept the first item on the Cut List as a cut, which was the other Police vehicle.

Commissioner Harrington asked about the cost of repairing the cars. Mr. Terry said the Chief had supplied information regarding how much was spent on repairs for each vehicle. Commissioner Harrington said given that the budget was tight and they knew they would be funding some major positions, he was of the opinion that the maintenance costs on those vehicles were not outrageous. He said if the argument was that the vehicles were getting expensive to keep repaired and needed to be replaced, he just did not see that. Commissioner Harrington said if the argument was that they needed another vehicle to provide a function they did not have now, that was something else entirely.

Commissioner Brooks said he agreed, noting they had voted unanimously to have a K-9 unit so they had to have a car that would provide what was needed for the K-9 program. He said it was a choice between a new vehicle or fixing the old one. Commissioner Brooks asked had Mr. Terry said the engine was failing in the K-9 unit. Mr. Terry said that vehicle had a rebuilt motor and it had probably 30,000 miles on it. He said he did not believe the vehicle would last beyond a year.

Commissioner Harrington asked what was wrong with the K-9 vehicle once it was repaired, other than that it was old. Chief Collins said hopefully they could make it limp along for another year.

Mr. Terry said that vehicle was 11 years old and had 124,000 miles on it, and he did not consider that to be a good vehicle.

Commissioner Baldwin asked was that engine rebuilt. Chief Collins said it was a remanufactured engine. Commissioner Baldwin said she believed they should go with the first option and replace that vehicle. Mr. Terry said that would be item 1a on the Cut List, and she was voting to not cut it but to fund it. Commissioner Baldwin said that was correct.

Commissioner Fiocco asked was that in the line item now. Mr. Terry said it was in the budget now, but he had included it on the Cut List as 1a.

Mr. Terry said the Board had already cut \$10,000 off the vehicle for the lab technician because they were now going to research the purchase of a used vehicle. He said the last thing was the utility truck for public utility maintenance, noting that they could cut that out and the Board could allow them to purchase a truck using year-end surplus. Mr. Terry said that would mean they would be purchasing the truck a few months early and they would be reducing the surplus in the current fiscal year and the trade off was they would be reducing expenses in the coming fiscal year. Or, he said, they could cut it altogether, but that vehicle was 16 years old and had 167,000 miles on it.

Commissioner Bryan asked what kind of truck he was proposing to purchase. Mr. Terry responded either a Ford F-150 or a Chevy 1500. Commissioner Bryan asked could they get one for \$20,000. Mr. Terry said yes, under State contract price.

Commissioner Harrington said they needed to stick with the Ford. Mr. Terry said that would be his preference because they could get them worked on nearby.

Commissioner Bryan said if they could purchase a new one for \$20,000 then they should go with it. Mr. Terry said the Board could allow them to purchase the vehicle with next year's funds, or they could remove it from next year's budget and purchase it with the \$26,000 surplus available in current year funds, or they could cut it altogether and they would limp along for another year.

Mayor Voller asked Mr. Terry to advise the Board on what he believed was the best option. Mr. Terry said he would like to use current year funds to replace that truck and remove it from next year's budget. He said that way they would be reducing expenses for next year by \$20,000, but they were also reducing the current year surplus. The Board agreed by consensus to fund the new truck using current year surpluses.

Mr. Terry said the very last item to be discussed was the Board's expectations, noting he would need to take all the decisions made this evening and figure out what the bill was, and he needed some sense from the Board if they were willing to suffer any kind of tax increase at all to pay for

the Town Engineer position, perhaps at a few pennies, or where they willing to suffer an additional increase above the 1% already included for utility rates. Mr. Terry said if he needed it to balance the budget, was the Board willing to consider a tax increase. He said that a penny on the tax rate was \$40,000, but in terms of water and sewer another percent would only amount of \$16,000. Mr. Terry said if you added another dollar to the base fee for all customers that would result in another \$40,000.

Commissioner Brooks asked was he asking for a penny increase on the tax rate. Mr. Terry said a penny would generate \$40,000. He said the recommended budget before them now was already dipping into the Fund Balance at \$190,000. So, he said, he was asking by how much they wanted to knock that down by increasing rates elsewhere. Mr. Terry said with the addition of the Town Engineer they had added about \$75,000 to that, and asked if they wanted to offset some of that with a tax increase.

Commissioner Brooks said these were hard times for many, and the County was already considering a 2.5 cent increase on its rate.

Commissioner Harrington asked if the cost of the Town Engineer would be roughly split between the General Fund and the Enterprise Fund. Mr. Terry said it might be something more like 75% utilities and 25% General Fund, but it could also be 50/50.

Commissioner Brooks suggested keeping Jay Johnston on for another six months and put off hiring a Town Engineer for six months.

Mayor Voller said they could always recruit and interview with employment to begin at the first of the year. Mr. Terry said that was possible.

Commissioner Brooks said he would be in favor of a one penny increase, but no more, but to go forward with the increase in water and sewer as suggested.

Commissioner Harrington said they needed to be able to communicate when people asked them why their bills had to go up and what they were getting for their money. He said the Board needed to be able to answer that, and the response was they were adding a Town Engineer which would be a tangible benefit. Mr. Terry suggested that he go back and rework the budget by putting in everything that had been added. He said he would take it all out of Fund Balance initially and then send the Board an email to tell them how much that would be. Mr. Terry said then the Board could come back to him and say how much of that they wanted to cancel out by increasing water rates or through a tax increase.

Commissioner Fiocco said in the last 6 months since he had been on the Board, they had seen change orders come in unexpectedly for engineering services in large amounts for \$80,000, \$40,000, and \$47,500. He said that would pay for a Town Engineer for a year.

Commissioner Harrington said he would imagine that that might be a good thing to say in a newspaper article if they had the chance that they had had a tax rate increase to help fund a Town

Engineer, but they believed it would pay for itself because of those other issues. He said that would perhaps make people realize that they were getting a tangible benefit.

Mayor Voller asked Mr. Terry to work up a white paper with bullet points so that when the information went out to the media that there was a clear understanding as to why. He said he would do so. Mayor Voller said when the budget was adopted on June 14 Bill Wilcox with the newspaper would be present, so he needed to have that ready at that time.

Other

Mayor Voller asked the board to adopt the following resolution of Warm Greetings and Best Wishes:

A RESOLUTION OF WARM GREETINGS AND BEST WISHES

WHEREAS, Randolph S. Voller, Mayor of the Town of Pittsboro, has been selected as a Marshall Memorial Fund fellow for 2010; and

WHEREAS, the Marshall Memorial Fund (MMF) fellows are scheduled to travel for 24 days throughout Europe developing their knowledge of political, economic and social institutions and issues facing the United States and Europe; and

WHEREAS, the MMF program educates emerging American leaders on the importance of transnational relationships and encourages collaboration on a range of international and domestic policy issues; and

WHEREAS, the Town of Pittsboro desires to extend greetings to the European communities Mayor Voller will visit in the summer of 2010;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Pittsboro that warm greetings and best wishes be, and they hereby are, extended to the leaders of Brussels, Belgium, Berlin, Germany; Turin, Italy; Istanbul, Turkey and Podgorica, Montenegro.

This 27th day of May, 2010.

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to approve the resolution of welcome from Pittsboro for Mayor Voller to take to the various mayors in the communities he would be visiting on his European trip.

Vote Aye-5 Nay-0

Mayor Voller said there had been a resolution considered Monday night regarding Powell Springs, but there had been some email discussion about it. He asked if the Board wanted him to sign it as is or not, noting the resolution incorporated all of Mr. Messick's suggestions. The Board agreed by consensus to authorize the Mayor to sign the resolution.

Commissioner Baldwin said the only other issue was the audit, noting that perhaps they needed to look at getting a new auditor. Mr. Terry said they would do so, noting that they were already looking into that.

Mayor Voller said the last issue was that the resolution they had adopted contained an error, in that it was million instead of billion, and Ms. Lloyd stated they could not make a substantive correction. So, he said, they needed to adopt a corrected version.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to adopt the corrected resolution opposing legislation that would limit local governments' ability to provide broadband services broadband resolution so that it read 7.2 million instead of 7.2 billion.

Vote Aye-5 Nay-0

CORRECTED RESOLUTION URGING THE STATE OF NORTH CAROLINA TO OPPOSE LEGISLATION WHICH WOULD LIMIT OR PLACE A MORATORIUM ON LOCAL GOVERNMENTS PROVIDING BROADBAND SERVICE AND TO RECOGNIZE THE ROLE OF LOCAL GOVERNMENTS IN THE DEPLOYMENT OF BROADBAND SERVICES FOR THE ECONOMIC DEVELOPMENT OF THIS STATE IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 31-32

Commissioner Concerns

No concerns were offered at this time.

Mayor Updates

Mayor Voller offered no updates at this time.

FYI

1. Citizen Comments on the Powell Spring Site Plan Review.
2. Manager's Update on Capital Projects.
3. Chatham County EDC e-mail of May 4, 2010; RE: Joint Elected Officials Meeting on June 24, 2010.
4. Chatham County Historical Association, Inc., letter dated May 11, 2010.
5. Draft May 12, 2010 Planning Board Minutes.

ADJOURN

Motion made by Commissioner Bryan seconded by Commissioner Fiocco to adjourn the meeting at 10:45 p.m.

Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk