

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, JUNE 28, 2010
7:00 PM

Mayor pro tem Pamela Baldwin called the meeting to order at 7:00 p.m. and called for a brief moment of silence.

ATTENDANCE

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

Absent: Mayor Randy Voller, absence excused.

Staff present: Town Manager Bill Terry, Town Clerk Alice F. Lloyd, Town Attorney Paul S. Messick, Jr., Assistant Planner Paul Horne, Kay Hamrick, Finance Officer and Public Works Director John Poteat.

AGENDA

Mr. Terry outlined the changes that had been made to the Agenda since it had been distributed: Item 3 under Old Business would be a request from the Pittsboro Merchants Association to change the schedule for the First Sunday events in August; Item 4 under Old Business would be the reconsideration of the naming of Rock Springs Park; and, Item 4 under New Business would be the Chapel Hill Transit Pittsboro Express Bus Service Contract Amendment.

Commissioner Fiocco stated that the Board was to consider adoption of the FY 2010-2011 budget this evening, and he would like that to be the last item discussed. The Board agreed by consensus to move that discussion to just after the Capital Projects report.

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

Vote Aye-5 Nay-0

CONSENT AGENDA

The Consent Agenda contained the following items:

1. Approve minutes of the May 24, 2010 regular meeting.
2. Approve minutes of the May 27, 2010 meeting, a continuation of the recessed meeting of May 24, 2010.

3. Approve minutes of the June 14, 2010 regular meeting.

Commissioner Harrington said in regards to the May 27 minutes, on page 17 at the bottom of the page, it should read that “Commissioner Fiocco asked how often...” rather than “Commissioner Harrington asked how often...”.

Commissioner Harrington said in regards to the May 24 minutes, on page 28, 3rd paragraph, it read “...but would like to request that a condition be added to the offer that they provide a copy of all relevant design drawings, construction drawings, or similar documents that had been approved by NCDOT for turning lanes at US 15-501.” Commissioner Harrington said those documents were suppose to have been supplied but had not been, and the language “be added to” should be deleted and the words “for us to consider” should be inserted in their place, so that the language would read ...but would like to request that a condition for us to consider the offer that they provide a copy of all relevant design drawings, construction drawings, or similar documents that had been approved by NCDOT for turning lanes at US 15-501.”

Motion made by Commissioner Harrington seconded by Commissioner Brooks to approve the Consent Agenda as amended to include the corrections noted to the May 24 and May 27 minutes and to approve the June 14th minutes as submitted.

Vote Aye-5 Nay-0

REGULAR MEETING AGENDA

Citizens Matters

Philip Culpepper, 100 Weston Estates Way, Cary, stated that the Town had been working on a Land Use Plan for a number of years and the Board had had a draft delivered to them that the Planning Board had struggled with. He said prior to the former Town Planner retiring; the Planning Board had suggested that the Planner make some changes to the Land Use Plan in order to make it a more workable document. Mr. Culpepper said those changes had been made by hand, and he had done the word processing of the document without making any other revisions to the text. But, he said, they still had a document that was difficult to work with and was a little overwhelming for the Planning Board to deal with.

Mr. Culpepper said it had now become critically important to move forward with the Land Use Plan because NCDOT had contracted with a consulting firm to complete the Town’s Transportation Plan. He said a critical item necessary for NCDOT to complete the Transportation Plan was that the Land Use Plan be in place. Mr. Culpepper said he was before the Board tonight to make an offer that was coming from Tim Smith, the owner of Chatham Park, to take the Land Use Plan in its present form and he would take it upon himself to make revisions to it to resolve some of the issues that needed to be addressed. He said it was his hope that by making that offer he would be able to submit to the Planning Board a workable document that they could then forward to the Town Board with a recommendation. Mr. Culpepper said if

the Town Board was interested, he had been authorized by Mr. Smith to begin that work and Mr. Smith would be compensating him for that work.

Mr. Culpepper said their desire was to move the product forward to give the Town Board something that they could work with, noting it was not for his or Mr. Smith's benefit but for the Town's benefit. He said what benefited the Town would benefit their project, and they wanted to help the Town get past the hurdle of creating a workable Land Use Plan that could be adopted.

Mr. Terry offered to have Roger Waldon with Clarion Associates comment on that offer, noting that the Town had a relationship with Clarion around planning consulting and Mr. Waldon may have an opinion on how that might work.

Roger Waldon stated that they had been talking about the Land Use Plan in the context of the Comprehensive Plan, and within the 3 months that Clarion was assisting the Town with planning functions one of the things on their agenda was to be looking at the status of long range plans and to be forming recommendations and suggestions about directions in which the Town might want to go. He said one of his first observations in coming to Pittsboro was that the Town was totally suited at the present time to deal with the growth pressures that were coming and that in many ways the economic downturn offered a chance to put some strategies and mechanisms in place to deal with that expected growth.

Mr. Waldon agreed that the Land Use Plan did not address all the things it needed to address, and one of the things he had discussed with Mr. Terry was that before his time with the Town expired that he would like to work with the Planning Board Chair and Mr. Terry to put together a recommended framework for constructing a growth management strategy. He said that would include looking at the Land Use Plan that they would need to have in place, looking at transportation, looking at infrastructure, looking at cooperation with the County and directions of growth, and looking at the kinds of tools that would be needed to put together a game plan to deal with the expected growth. Mr. Waldon said they would need to have that kind of framework in place so that when the new Planning Director came on board that he or she would have something in place so they could hit the ground running.

Mr. Waldon said Mr. Culpepper's offer was very interesting, because a part of constructing a good Land Use Plan would require that it be data intensive, in that there needed to be a lot of information, a lot of mapping, and a lot of analysis of existing circumstances and constraints. He said they would also need policy options and discussions between the Town and its citizens. Mr. Waldon said it seemed to him that having help in putting together the basic information could be very helpful and could dovetail with the framework he had described and might be a way to help jump start the process.

Commissioner Brooks said to his knowledge there had been 4 and perhaps 5 Land Use Plans done prior to this one, and asked had those been looked at to see what was suggested as they moved forward. Mr. Waldon said the answer was yes, and that one of the starting points in this process would be looking at the past plans and policies that had been put in place to date. He said it was his opinion that what the Town had in place now did not adequately take into account all of what was coming.

Commissioner Brooks said the plan prepared in 1976 was done with federal money, and 2 additional plans had been done since then. He said he was sure the plan needed to be updated, but the plan prepared in 1976 was remarkable and should be looked at prior to starting a new process. Commissioner Brooks said one thing to remember was that the Land Use Plan was not etched in stone and was not a zoning document, but was only a plan. Mr. Waldon said that was a great point to make; that it absolutely was not a zoning document. He said a good land use plan or comprehensive plan should be a blueprint for growth that did not have the power of law like a zoning document would have. Mr. Waldon said it was a policy document that stated the goals and objectives, the constraints and opportunities, and the direction in which the Town planned to move and where they wanted to focus their resources.

Commissioner Harrington said Mr. Waldon had mentioned that the Land Use Plan would require data mapping and other tasks, and asked how much would such a plan typically cost. Mr. Waldon said such plans could cost anywhere from \$50,000 to \$200,000. Commissioner Harrington asked had he ever seen one written by a developer who had an interest in a town the plan would be applied to. Mr. Waldon replied he had not seen a final plan that had been written by a developer. Commissioner Harrington said he believed it would be a concern if they had a person with the most land in Town writing their Land Use Plan, but at the same time he suspected that the document would have to go to public hearing. Mr. Waldon said his suggestion would be that clearly a plan of that importance needed public involvement, and a big component of the process put in place to develop a Land Use Plan in the context of a policy document needed to involve exposure, transparency, and public engagement. He said whatever was put on the table needed to go through a public process.

Commissioner Harrington asked would the document have to go through public hearing. Town Attorney Paul Messick said yes, at some point. Commissioner Harrington said then he would guess that it would also come under review by other developers that had an interest in the Town. He said if they accepted Mr. Culpepper's offer there would be those who would believe that the developer would put in the document exactly what they wanted that would benefit them. Commissioner Harrington said they had frequently had public hearings that no one attended, but he could not imagine that a public hearing on the Land Use Plan would not get a significant amount of public input which would serve as a good filter and a good second look. He said if they did accept the offer then the document would likely be very well scrutinized and they would probably get more public input on it than they had ever received on anything else. Commissioner Harrington said that was a very good thing and it would serve as a filter for the document.

Mr. Culpepper said certainly by going through that kind of evaluation his credibility would depend on the quality of the work he provided. He said if he offered the Town a document that appeared to be slanted towards his employer then they would lose credibility and do themselves no good. Mr. Culpepper said the current Land Use Plan as proposed by the previous consultant they had no problem with in terms of their project, because it was rather neutral and left some opportunity for future revisions. So, he said, it was not like they were trying to put aside a plan they did not like; they were only trying to get something in the hands of the Town that they and others could make use of and to put something on the table that would address the issues at hand.

Commissioner Harrington said that the Transportation Plan required that the Land Use Plan be in place, and asked what NCDOT's expected completion date was for the Transportation Plan. Mr. Culpepper said he believed they had anticipated a 6-month process, but they had not yet held the first meeting.

Commissioner Fiocco asked what the timeframe was for creating the Land Use Plan he had spoken of. Mr. Culpepper replied he believed the work could be completed in 3 to 4 months. He said they would certainly coordinate with the Town throughout the process.

Commissioner Fiocco said the framework Mr. Waldon had spoken of would require data, and asked if Mr. Waldon was in the process of gathering that data and would that be a part of his exercise. Mr. Waldon said part of his exercise would be to say what kind of information and data was needed. He said to the extent possible during his time with the Town he may be able to begin to gather some data but did not expect to get very far down that path.

Mr. Terry said what Mr. Waldon was proposing was an outline plan that would indicate the things that were needed as sub plans or subordinate plans to the Comprehensive Plan, which was what the Land Use Plan would be. He said they could likely get that accomplished in a 6-month timeframe, but the larger outline plan that Mr. Waldon was describing was a road map to get to the Comprehensive Plan, and that process could take a couple of years. Mr. Waldon said he would suggest that they anticipate at least a year for a Comprehensive Plan to get to a stage where final adoption could be achieved. Mr. Terry said the Land Use Plan would be one element of the Comprehensive Plan. Mr. Waldon said it would be one element or chapter of that larger plan and would suggest that it was the most important part.

Commissioner Baldwin said Mr. Waldon had indicated that the current draft was lacking, and asked in what way. She said they had received public input, and asked for an example of what was lacking. Mr. Waldon said if he was doing it he would want it to make clear exactly what the vision was and what the aspirations were of the Town. He said in the context of current constraints and opportunities, he would want to identify exactly what they wanted for Pittsboro and have that up front to set the stage in an easily readable format. Mr. Waldon said he would then have linkages and cross linkages back and forth throughout the plan, always making reference back to that key vision with goals and objectives of what they were trying to achieve.

Commissioner Baldwin said then the current draft plan did not have that vision. Mr. Waldon responded not as clearly as he had hoped. He said another important piece of a Comprehensive Plan was to answer three questions: where were they today, where was it that they wanted to go, and most important how would they get there. Mr. Waldon said actions should be stated of all the things that needed to be done, priorities needed to set to advance their cause to get them where they wanted to go, and they should then identify which of those were the most compelling and important right now and what the timeframe would be for implementation.

Mr. Terry said he personally did not see any harm in authorizing Mr. Culpepper to work with the Clarion group over the next 30 days or so, noting he believed they would have a new Planning Director on board by mid August. He said when that person was briefed, he would expect the

Board would want to hear from the new Planning Director about what he or she thought about the work that had been done to date and hear recommendations on how to proceed.

Commissioner Fiocco said he would not be comfortable with the language of “authorizing” Mr. Culpepper to do the work but he would be willing to accept the product of his work at least as clay for the new Planning Director to mold. Mr. Culpepper said that was exactly what he was proposing to do, in that he wanted to provide a product that would help the new person move forward through the process.

Mr. Terry said since this was offered as a Citizen Concern he did not believe the Board would need a motion to accept Mr. Culpepper’s offer. Mr. Culpepper said one of the things he had found lacking in the current draft was some real, hands on information on what was occurring in Pittsboro right now, noting that was a glaring gap. He said as Mr. Waldon had said, where they were today was important, and that had been skipped in the current draft. Mr. Culpepper thanked the Board for the opportunity to be of service.

Mr. Terry said once Mr. Culpepper produced his draft, the Board could choose to use it or not.

Wesley Dodson, 146-02 Hanks Street, said that about a year ago the City Tap had opened and they had live music at night on Thursday, Friday, Saturday and Sunday evenings. He said he could hear the music inside his house, and he had recently learned that the City Tap owners had requested the Board to raise the maximum decibel level from 70 to 80 decibels. Mr. Dodson said what he was hearing now was annoying, and if the Noise Ordinance was being enforced then the annoyance would be stopped. He asked the Board to not raise the level to 80 decibels.

Mr. Dodson said he also wanted to ask that the Board review the application process for noise permits, because he believed there were some issues with that process when applications were received for live music. He said he would also request that no further permits be issued to exceed the decibel level of 60, noting that 60 decibels was the allowable limit during the day except on Sunday, and if a permit was received then the level rose to a maximum of 70 decibels. Mr. Dodson said the way the noise ordinance was written now was adequate and benefited the citizens of his neighborhood when it was enforced, but 70 decibels was so loud he could hear it inside his house.

Commissioner Harrington asked how far he was from the City Tap. Mr. Dodson said his home was 227 yards from the City Tap.

Commissioner Brooks said he had talked with Mr. Dodson about this issue, and it was suggested that he visit the area on one of the nights in question. He said he had 30% hearing loss in one ear, and when he had visited the area on Saturday he could hear the music while sitting beside the law offices of Gunn & Messick which was a considerable distance from the City Tap’s property line. He said he could hear the music in front of the Baptist Church and the Episcopal Church with his windows rolled down, so he had turned south down Fayetteville Street and could still hear it. Commissioner Brooks said he then came back around and went up West Salisbury and down Hanks Street and could hear the music behind the Baptist Church parking lot on the north side of Salisbury Street. He said he could also hear it near Mr. Dodson’s house.

Commissioner Brooks said other citizens had also mentioned the noise to him, including Charles Devinney in reference to church services on Easter weekend, although Mr. Devinney had not been sure of the source of the noise.

Mr. Dodson said on Saturday the music was not as loud as it had been on Thursday. He said he had called the Police Department on Thursday and they had taken a decibel reading at the corner of Hanks Street and Credle Street on the other side of Gunn & Messick's parking lot, and it had been measured at 70 decibels at that location. Mr. Dodson said he had also called on Easter Sunday and requested a decibel reading, and Officer Troy Roberson had come by his home on Monday and reported that Officer Overman had taken a reading of 78 decibels on Easter Sunday. He said the maximum level on Sundays was 50 decibels, so he believed the City Tap was constantly in violation of the noise ordinance. He said with that being said, he could not understand how the Town could continue issuing the City Tap noise permits.

Commissioner Harrington said he was not aware that they had all those different decibel levels in the ordinance. Mr. Messick said that when you acquired a permit, then different levels were allowed with that permit.

Commissioner Baldwin said that the permit issued to the City Tap did not authorize them to exceed the ordinance. Mr. Messick said they were not supposed to exceed the permit level, which was 70 decibels, but you could have a permit that exceeded the general limit.

Mr. Terry said the permit allowed the holder to go only to 70 decibels. Mr. Dodson said issuing those permits was an issue, and he believed there was enough evidence to show that additional permits should not be issued.

Commissioner Fiocco said at the last meeting one of the owners of City Tap had spoken to the Board, and he had asked the question had any of the sound measurements exceeded the ordinance and the reply was no, that the Police had taken measurements and the levels had not exceeded the ordinance. Mr. Terry said over this past weekend the Police had taken measurements on Saturday and had visited City Tap to inform them that they were exceeding the noise level and they had immediately turned the music down. He said the Police had taken another measurement and the music had to be turned down again.

Commissioner Fiocco asked did the Police Department keep a log of those measurements when they responded to calls such as Mr. Dodson had made. Mr. Terry said he would check with the Police Chief, noting he knew they filed reports but did not know if the information was kept in log form. He said if it was the sense of the Board that this was becoming an issue, taking action on refusal of further permits would not necessarily make it impossible for City Tap to continue to have music; it would just have to be at 60 decibels rather than 70 decibels. He said that electrically amplified sound devices had volume controls, and perhaps they could test it for a period of time and ask that City Tap keep the music at 60 decibels and not issue them any permits, then evaluate how that worked. Mr. Terry said it was his guess that City Tap could lower the volume of the music and people would still come and enjoy the music.

Commissioner Fiocco said he believed he would take Commissioner Brooks' advice and take a tour himself.

Joshua Cohen, 207 Windlestraw, stated he was a small business owner in Pittsboro and was concerned about the roundabout construction at NC 87 and Old Graham Road. He said there was not much that could be done at this point, but it had adversely affected a lot of the businesses at that corner because it had dramatically limited the traffic that was able to move through there. Mr. Cohen said he would ask that in future when other road projects were carried out in Town that more consideration be given to the impact on small businesses, noting he believed it would have been possible to figure out a method to lessen the impact during the construction of the roundabout that would have allowed the flow of traffic to continue in that area.

Mr. Cohen said he was also concerned about the way the road signs were handled, noting he worked with a lot of senior citizens who had difficulty understanding the road signs on NC 87 as you exited US 64. He said there had been a huge "Road Closed" sign erected and when you were not familiar with the area they had felt that they could not travel through that area at all to access the businesses. Mr. Cohen said he had called NCDOT about moving the road sign to make it more apparent that the road was still opened to get to the services in the area, but they had felt that it was out of their control. So, he said, the situation had caused a significant loss of revenue to him and the other businesses in that area and wanted to make sure in the future that small businesses were kept in mind. Mr. Cohen said they did not have so many that they could afford to lose one.

Liz Ryan, 130-2 Hanks Street, stated she lived not too far from Wesley Dodson's house and had the same issues with the noise as he had described. She said she had a white noise machine in her house which she ran at night, but she could still hear the bass thumping from City Tap. Ms. Ryan said her neighborhood was no longer a quiet place to live on Thursday through Sunday nights, and that was unfortunate for a town such as Pittsboro.

Gayle Hughes, 150-04 Hanks Street, a member of the Credle Moor HOA Board, stated that she was speaking on behalf of the members of the HOA. She said she agreed with the statements made by Mr. Dodson, and it was an issue for the residents when the noise ordinance was not being enforced. Ms. Hughes said as well, the people living in that neighborhood had an investment in their homes and requested that the Board give careful consideration to making any changes to the noise ordinance to allow a higher decibel level. She said there was a health issue involved with this as well, noting that when you were in a home and there was outside thumping, you learned that music did not have a constant thump and over time your heart began to change its rhythm and your chest began to vibrate. Ms. Hughes said that was not only annoying but was unhealthy. She stated that her HOA had 13 members, and requested that the Board pay serious attention to their concerns.

Commissioner Baldwin asked if all 13 members were having the same issues. Ms. Hughes replied not all but certainly the majority, noting that those on the back side of the complex had a natural barrier. She emphasized that as a Board member, she was speaking for all of the homeowners.

Commissioner Brooks stated that the comments made would be in the record of tonight's meeting, and they would be considered when the Board took up the issue of the noise ordinance.

OLD BUSINESS

1. Fiscal Year 2010-2011 Budget.

This item was moved to the end of the Agenda.

2. Off-premise Signs.

Mr. Terry stated that this issue had been deferred from the last meeting due to an administrative error, in that several pages had been missing from the report that had now been added.

Mr. Waldon stated he wanted to highlight a couple of key points, noting the Manager's memorandum covered the highlights that had come from the Planning Board's June 7th meeting. He said the Planning Board had reviewed his memorandum where he had recommended making no change to the current sign ordinance but if they decided to make a change, he had provided some options. Mr. Waldon said what was offered in the memorandum was background information describing the sequence of events leading up to tonight as well as a discussion of some of the issues related to the regulation of off-premise signs.

Mr. Waldon said their primary recommendation was that it was "shaky ground" to try to make a change to the sign regulations to expand the permitted signage in Pittsboro to off-premises. He said the memo offered some examples and observations of signage that could very easily accelerate and get out of control. Mr. Waldon said one of the things that was important was to have a level playing field, in that signage was extraordinarily important to merchants and that every merchant and institution wanted visibility and to provide the public the means to locate them. He said but, at the same time all signage needed to be consistent. Mr. Waldon said if one entity or one person had off-premises signs or larger signs than others then the playing field became uneven, so that was a consideration. Mr. Waldon said he also offered as an observation that he had seen in other communities that opening the door to off-premise signs could lead to a cascade of signs that could negatively affect community appearance.

Mr. Waldon said that the Town did allow off-premise signs now in limited circumstances, and as they had looked at the ordinance they believed that was appropriate. He said for that reason they were recommending that no changes be made to the off-premise sign regulations. But, he said, if the Board concluded otherwise and wanted to allow limited off-premise signage, then they had provided an ordinance that the Board could consider that would allow off-premise signs under certain conditions, such as that they not be commercial signs, that it be for limited purposes such as for places of worships, community events, parks, historic properties, schools, and other places of assembly.

Mr. Waldon said one idea they wanted to propose for consideration was a Town-managed way finding system, where the Town would take on the responsibility of putting up signs that indicated the location of parks, churches, shopping areas, historic areas, the commercial district,

and things of that nature. He said the Town would establish the rules and be responsible for the signs, and the Town could receive requests and applications that would involve funding for signs to be installed.

Mr. Waldon said if the Board were to decide to make no changes, then no action would be required. He said should the Board want to initiate an amendment to the regulations, then that process could be put into motion.

Commissioner Fiocco asked for more information about the way finding concept, noting he understood Mr. Waldon to say the signs would be installed and managed by the Town and that they were more of a generic statement of location for a particular interest such as shopping. He asked if way finding signs would speak to individual businesses. Mr. Waldon said generally, no. He said there was an example of way finding signage in Attachment #2 in the materials, noting that the second row of photos was signage used in Manassas, Virginia. He said that Manassas really wanted to encourage people to visit the downtown and wanted to be sure that any motorists driving through the community knew where shops were located. Mr. Waldon said that Wilson, NC also used way finding signage, but went a little bit further by mentioning specific kinds of businesses and restaurants and the like.

Commissioner Harrington said there had already been a lot of conversation about this issue and he had believed that tonight the Board would be provided with more specific recommendations. He said what he had in mind was that they would decide what kind of sign they liked and that looked good, and that that would be the sign that was allowed. Commissioner Harrington said in Asheboro they had signs where 4, 5, or 6 businesses could be listed. He said people could be told that if they wanted a sign then they had to purchase that particular kind of sign and that it had to be mounted in a certain way, and if it had to be taken down because it did not comply then there would be a \$200 fine. Commissioner Harrington said you could put up a directional sign at an intersection if you were the first person to do so, but with the understanding that the next person coming along could put his sign underneath it and so forth. He said what you ended up with was very uniform and very neat signs that were consistent, and the responsibility was placed on the owners.

Commissioner Harrington said to him that was a simple process, and wondered why that had not been suggested as an option. He said he believed such a system was easy and feasible, and took the burden off the Town in that if someone did not follow the set rules then they would be fined and their sign removed. Commissioner Harrington explained the system used at Ferrington, which were direction signs indicating how to get to the various areas such as the gift shop, and if another sign was needed then it was added underneath the first one and was exactly the same shape, size lettering, and color as all the others. He said it was understood that once the first person mounted the first sign that others may be added and it could be for a competitor. Mr. Waldon said one difference with Ferrington was that it was a private development, and another example like that was Meadowmont in Chapel Hill where the developer had total control over what happened within that development. Mr. Waldon said in the public realm, the closest to what Commissioner Harrington was describing was what they had in Wilson which was in their downtown area. He said they did allow the names of individual establishments to be placed on those signs and it was city managed process.

Commissioner Harrington said in Asheboro the signs were only in the downtown, and they were things like directional signs to the Farmers Market, Fire Department, parks, and the like. What he was talking about was that same thing but with business names. Commissioner Harrington said this discussion had been started by a business owner who wanted a directional sign on US 15-501 to point down a side road so that people could find them. He said what he was hoping to see tonight was examples of signs that were attractive that the Board could consider, but that had not happened due to some miscommunication.

Commissioner Brooks said he remembered when Doug Jacobs had made the request for his real estate business, and of course the Town Board wanted to help businesses in any way possible. He said he had really become involved when Rev. Bob Wachs, pastor of Hanks Chapel Church, had made a presentation to the Board requesting an off-premise sign for the church. Commissioner Brooks said he was embarrassed to be on the Board and have any association with staff that had been so wrong, in that the first time Mr. Monroe had decided not to present it to the Planning Board even though the Town Board had instructed him to do so because other staff members were opposed to it, which was what Mr. Monroe had told him. He said the next Planning Board meeting was cancelled because of snow, and these people were still trying to get a directional sign for a church that was built before the Civil War.

Commissioner Brooks said the church had not had a problem until the State had reconfigured the road. He said the minister owned the property on which the sign would be placed and they were requesting only a directional sign to help the public find them with the new road configuration. Commissioner Brooks said that was all he had wanted, and the hypocrisy bothered him. He said if you looked out the window in the Board room you would see at least 2 off-premise signs, and he believed if it was controlled they could allow such signs. Commissioner Brooks said they did not have that many businesses in Pittsboro so he did not believe it would become a problem, and it would allow people to find what they were looking for, even if it as just a donut.

Commissioner Harrington said those type businesses could have signs as well as churches.

Commissioner Brooks said that was correct, that they should have the same opportunity that the Town was apparently giving the Farmers Market when they were having their dinners, noting that every Thursday they erected a banner. Mr. Waldon said they had tried to address that point, and the ordinance in the packet noted as Attachment #1 he believed addressed that. Commissioner Brooks said the only problem was that places like Hanks Chapel United Church of Christ would have a problem getting their entire name on a 4 x 6 sign, noting they may need a 6 x 6.

Commissioner Harrington asked was Commissioner Brooks suggesting that people could have multiple individual signs as he had described. He said to him you could create a problem where you would create clutter, and what he was talking about was making signs uniform in every way that provided direction to various locations whether it be a church, a pottery, a park, or whatever.

Mr. Waldon said he just thought of another example, noting he had seen something similar to what Commissioner Harrington was describing in Pinehurst.

Commissioner Harrington said he was not trying to invent the wheel, that there were good examples out there and they had only to find something that looked good for Pittsboro and go with it.

Commissioner Brooks said Mr. Waldon was correct about Pinehurst, noting they had uniform signs that pointed out hotels, churches, golf courses, and so forth.

Commissioner Harrington agreed, noting that in Pinehurst the signs were all the same and pointed out directions to the various locations. He said there was no appearance of clutter because all of the signs were uniform. Commissioner Harrington said he saw no reason why Pittsboro could not be the same, noting that it would provide businesses with the opportunity to post a directional sign straight to their businesses. He noted that in Asheboro you were not required to place them on a free-standing pole but could attach them up high on utility poles, although the signs were still the same size, the same color, and the same lettering as all other signs. Commissioner Harrington said he believed the signs in Pinehurst were a good example of what he had envisioned for Pittsboro.

Commissioner Brooks said he did not care about the details of how they would go about it, although he did not want the signs to be huge. He said he did want people to be able to find churches, parks, government buildings, and the like, and that could include businesses.

Commissioner Baldwin asked what the Board wanted to do at this point. She suggested they might want to have photos of signs at Ferrington, Pinehurst, and Asheboro provided and then they could continue the discussion. She said they could also take the time to look over the ordinance provided and consider any changes, although she did like Commissioner Harrington's suggestion.

Commissioner Harrington said he believed they could probably find magazines of all types of signs that could be customized for Pittsboro. He said he believed that if businesses or anyone else wanted a sign that they should purchase it and mount it, and that if someone else wanted one in the same location that it would be placed underneath the first one, and if they did not adhere to that then the Town would remove the sign and the person would be assessed a fine. Commissioner Harrington reiterated he believed such a process would be very simple as long as the Town was clear on what was allowed and that anything else would be removed.

Mr. Terry said he would like to get examples of signs from Asheboro, Wilson, and Pinehurst and also contact those jurisdictions to obtain a copy of their sign ordinance, and then they could start the process over again.

Commissioner Harrington said he did not believe the Town should be involved in the process other than to determine the size, shape, lettering, and color of signs, find a vendor, and then provide information to those wanting such signs on how to purchase them and have them erected. He said the Town should not be involved other than to say here is the information and go buy a sign that looks like this.

Mr. Waldon said it was not as simple what was being described, noting he believed it was a complex area of the law that needed to be done carefully, although he believed it could be done as Commissioner Harrington had described.

Mr. Messick asked what kind of limit Commissioner Harrington would propose; that is, how many signs could someone have.

Commissioner Harrington said he would say that someone could have a sign at any intersection. Mr. Messick said he believed Commissioner Brooks was talking about something completely different. Commissioner Harrington said he was talking about signs at intersections which were mounted one on top of the other. Mr. Messick said then he was talking about having multiple signs at every intersection, and if so did he believe that was a good thing. Commissioner Harrington said if it was done right he believed it could look good. He said they would look nice because the Board would pick a design that looked nice.

Assistant Planner Paul Horne asked if the Town Board would want to charge a fee for the privilege of having such signs.

Commissioner Brooks replied no. Mr. Horne asked would the Town Board consider reducing a business's other signs that were already allowed if that business posted multiple signs elsewhere. Commissioner Brooks replied no. He asked Mr. Horne if he would agree that the Town's sign ordinance had not been enforced for a long time.

Commissioner Harrington asked was he saying that if a business put up a sign at an intersection that the business be made to remove an illegal sign. Mr. Horne said he was simply asking if that was something the Board had thought about. Commissioner Harrington said he did not believe the signs would be that expensive, noting he was envisioning low maintenance signs that were all the same in every way. He said if they were expensive then several businesses could go in together to purchase the signs.

Commissioner Fiocco agreed that it was a complex issue, but believed staff probably had more direction from the Town Board that anyone had provided previously. So, he said, it was a tough design and a legal challenge. Mr. Waldon said the Board had provided good direction tonight that was much appreciated. He said he would suggest that the Board allow the consultant, the Manager, and the Attorney to caucus and do some reconnaissance of other communities to obtain photographs and examples of sign ordinances that could be brought back to the Town Board for consideration and further discussion.

Commissioner Harrington cautioned that they not make it any more complicated than it needed to be, noting he wanted the simplest process possible.

3. Added Item – Pittsboro Merchant's Association Request to Change the Schedule for the First Sunday Events in August.

Mr. Terry stated that this request had come forward as a Citizens Matter at the last Board meeting, and the PMA had been asked to provide their request in writing which they had done

via an email that was included in the packet. He said the request was a simple matter, in that the PMA wanted to change the day of the First Sunday event held in August each year to the Saturday evening before the first Sunday from 4 p.m. to 8 p.m. due to the hot weather generally experienced in August. Mr. Terry said if the Board wanted to grant the request he believed that could be done through a simple motion to that effect. He said he would recommend that if the Board approved the request that they make the change effective not only for this year but for all succeeding years.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to change the date of the First Sunday event in August to the first Saturday in August every year that the event was held.

Vote Aye-5 Nay-0

4. Added Item – Consider Name Change for Rock Springs Park.

Mr. Terry noted that this issue had been brought forward at the last meeting, and staff had done some research to identify what the family would want the park to be named. He said they had settled on the Mary Hayes Barber Holmes Park, noting that the family preferred that it not include “memorial” park in the title. Mr. Terry said if the Board chooses to make the change it could be accomplished through a simple motion.

Motion made by Commissioner Brooks seconded by Commissioner Bryan that Rock Springs Park be renamed “the Mary Hayes Barber Holmes Park.”

Vote Aye-5 Nay-0

Commissioner Fiocco asked had they been successful to halting the other signs from being made. Patrick Bradshaw responded that if the signs had been created then the Mary Hayes Barber Holmes family would pay any cost incurred by the Town. He explained that when Ms. Holmes had passed away the family had not responded to communications about renaming the park until about a month ago. Mr. Bradshaw said the family was extremely grateful that the Town was open to renaming the park after that time lag, and if some expense was incurred because of that time lag then the family was open to defraying those costs.

NEW BUSINESS

1. Utility Director’s Report on Water System Problem Areas. (John Poteat, Utility Director).

Mr. Terry said at the last meeting the Board had requested to hear from Mr. Poteat about problem areas in the water system.

John Poteat displayed a map that showed the various locations throughout the Town of the water lines. He noted that they received very few water complaints, especially since they had become more efficient at the Water Plant. Mr. Poteat said with the flushing program they were able to get a lot of lines cleared out, and when they did receive a complaint that told them where they

needed to concentrate their flushing efforts. He said they actually encouraged citizens to call them when their water appeared to be discolored.

Mr. Poteat said there was two areas in particular where there is not a lot they could do anything about, and the first was Woodberry Forest. He said Woodberry Forest was a subdivision that was served by a 2-inch line. He said there was a 6-inch line that stopped at the bridge, and the 2-inch line was connected at that point. Mr. Poteat said it then followed Old Goldston Road, turned onto Alston Chapel Road, went past Woodberry Forest for some distance, and then was connected to another 2-inch line to provide a loop so they could get better water quality in that area. He said it had helped the pressure issues but it had not helped the water quality issues at all. Mr. Poteat said the reason was that the line had been installed in 1961 that served only one house which had gone away in 1970, so the water basically sat in that line which caused high mineral content to form in that 2-inch line. He said in 1970 another house was built and stood until 1980 when other homes began to be built.

Mr. Poteat said they currently had about 14 houses on that road, and they had opened a blow off to get more water running through to clean out the pipe. But, he said, they had reached a point where that no longer worked so they had added an extra leg to that line in 2002. Mr. Poteat said they now opened up that line whenever they received a complaint about discoloration. He said they did have a process where they would flush that line, and although that provided some temporary improvement it was not fixing the problem. Mr. Poteat said the problem was that if they began to flush in one place and someone happened to be using water in another, they would be pulling that murky water through the system, so if someone was to turn on their faucet or start their washing machine, that murky water would be pulled into that house. So, he said, they had to be careful what time of day they did that flushing.

Commissioner Harrington said what he was saying was that the worst of it was when they flushed it. Mr. Poteat said a lot of times you would never know when it might happen, because the minerals in the line could break apart at any time, and they had that 6-inch line that fed the 2-inch line. He said the only way to blow off the 6-inch line was to bring it through the blow off point at the 2-inch line. Mr. Poteat said any sediment in that 6-inch line would go to the 2-inch line, and the only way to get it out was to open the blow off. He said the issue would not get any better and would likely continue to get worse. Mr. Poteat said they had spent a lot of time making repairs in multiple areas, noting that when a hole developed in a line they sometimes were forced to replace whole sections of pipe. He said the only way they would ever solve the problem was to replace the entire line, and he had obtained estimates for that work.

Commissioner Bryan asked if that area had pressure problems as well. Mr. Poteat said he had talked to one resident who had said the pressure had gotten back to what it used to be before they had moved the line. He said eventually they would get to the point where the line would just close up, noting that happened once a line was 30 or so years old, but there was no way to predict when that might happen. Mr. Poteat said if they ever got to that point they would be forced to identify where the pipe had closed up and replace it, or, to replace the entire line. He said the figures he had provided were for a 6-inch line replacement, or they could decide to do something different such as bringing in another 2-inch line. He said to determine the cost of a 2-inch line they could take the footage and multiple it by 13 rather than by 20. Mr. Poteat said that a 6-inch

line was what their standard specifications called for, and that would also provide that neighborhood with fire protection which they did not now have.

Commissioner Harrington asked did that line serve only those 14 houses. Mr. Poteat said there were 14 houses on Woodberry Forest, and there was another 10 to 11 in the general area that could be served by the line.

Commissioner Fiocco asked if Jay Johnston had been involved in an analysis of that solution. Mr. Poteat said somewhat, noting they had discussed it with him and he had added some information to the map. Commissioner Fiocco said his question was that if there were only about 16 or so houses out there, then it came to mind that could it be that those houses were not using enough water on a regular basis to keep the line open. He said if the Town put in a 6-inch line, that would just be more water that the residents were not using, and they would then have water sitting in a 6-inch line forming sediment. Mr. Poteat said they were limited as to how many houses could be served in any case, noting that only 25 houses could be served on that line. He said the water in that line would always have some murkiness to it until the line was replaced. Mr. Poteat said they did not flush that line every day because someone on that line would get cloudy water in their house through an open line. He said the water they were trying to run through the line would then get pulled into that house.

Commissioner Brooks asked Mr. Poteat to point out the city limits on the map, and Mr. Poteat did so, pointing out where Woodberry Forest was in relation to that line. Commissioner Brooks said then it was in the ETJ.

Mr. Poteat said the second problem area was with a line that was installed in 1964 in Hearne Hill, which was at the same time that the intake for the Water Plant was installed. He pointed the area out on the map, and stated that he did not believe any real planning had taken place when that line was put in because of the way it was put in. Mr. Poteat said the line was put in to serve a house that happened to be there at the time, noting there were no homes on that line going in the opposite direction. He said all of the other 14 or 15 homes were down Hearne Road and were fed with a 1-inch line. Mr. Poteat said why a 1-inch line was installed was beyond him, noting that the 1-inch line came off of a 2-inch line, and then there was another 1-inch line coming off of that that served 3 homes of which 2 were rental homes. He said when someone was not in one of those rental homes then the water just sat there and you had to get a lot of flow in order to flush that 1-inch line. Mr. Poteat said he was not even sure the Town had an easement that would allow them to go onto the property to work on the line, but because it was the Town's line he would assume it was an implied easement.

Mr. Poteat said another house had recently been built and was connected to the 1-inch line, and there was a blow off that had been installed but in order to keep the water clear you basically needed to allow the blow off to run all the time to get the sediment out of it. He said he generally received complaints from only two residents in that area.

Commissioner Harrington asked how many homes were on that line. Mr. Poteat responded approximately 15 homes and for both lines there were approximately 30 homes. He said the cost of replacing those lines was estimated at about \$400,000 for the infrastructure, adding that in

both cases you would also be providing fire protection to those homes. Mr. Poteat said eventually that line would close up and would have to be replaced. He said the first line was 6,600 feet at \$20 per foot, and you could get it done at \$13 a foot if you put a 2-inch line in rather than a 6-inch line. He said that would reduce the cost to close to \$300,000. Mr. Poteat said the cost of the second line would be about \$165,000 which you could reduce by about \$60,000 to \$70,000 if you went back with a 2-inch pipe.

Commissioner Bryan said the cost would be in the neighborhood of \$230,000. Mr. Poteat said that was correct, but a 2-inch line would not provide for fire protection. He said if a 2-inch line was installed then the Town would have to provide a special exemption, since the standard specifications the Board had adopted stated that nothing smaller than a 6-inch line would be approved.

Commissioner Brooks said he would say that those homeowners could not bear the burden of the expense of a 6-inch line. But, he said, everywhere else in the ETJ where they had run water and sewer lines there had been assessments. Commissioner Brooks said when lines had been replaced on NC 87 those residents had been given 5 years to pay the assessment with no interest. He said even though the residents could likely not afford it, if the line was replaced they should certainly pay at least part of it since they were outside the Town.

Commissioner Harrington agreed, noting that when problems were identified that at least they would be able to tell people what the problem was, so the information was helpful. He said the other issue was whether or not residents could pay an assessment for a permanent solution to the problem. Mr. Poteat said you could only put 25 homes on a 1-inch line, and right now there were about 15 homes in that area on a 1-inch line. He said if they replaced that line they would basically have to go through and put everyone back on that line because they would no longer be able to use the 1-inch service because of current standards.

Mr. Terry asked had he said that the minimum standard was six inch ductile. Mr. Poteat said that was the minimum standard right now, so if they did that they would have a very large pipe with a very small amount of water usage. Mr. Terry said but at least they would have a hydrant on the end so that the line could be flushed. Mr. Poteat said yes, noting if they replaced that line they would loop it to hook into another existing line which would help the whole system.

Mr. Messick said that those residents were the Town's customers and the Town was responsible for their water supply. He said Commissioner Brooks had mentioned a special assessment, and that was one way to let the landowners help finance the cost of the system. Mr. Messick said that Pittsboro had the authority to require people in the ETJ to pay a special assessment, and it was a significant expense that would not get any cheaper. He said to cut and paste 1-inch and 2-inch lines just postponed the inevitable. Mr. Messick said if they were going to replace the lines then a special assessment was the way to do it. He said they did not have to do 100% financing but could do something less than that along with the residents' participation. But, he said, the Town would have to front the entire cost. Mr. Terry said that this may be something that the Rural Center Grants Program might fund.

Commissioner Harrington said he wondered if that was something the Grants Committee should be focusing on, noting this was a tangible need. Mr. Poteat said it was a water quality issue, and that was one of the issues that the Rural Center really focused on. Commissioner Harrington asked was it his experience that the Rural Center grants supported such projects in small areas where people were really affected by water quality and the lines needed to be replaced. Mr. Poteat said he did not know if the size of the problem had any bearing, but it was his experience that water quality was something that garnered a lot of points in their point system.

Mr. Terry said that the Rural Center had provided a grant for the Credle Street Phase 2 project, and were now providing grant funds for Phases 3 and 4. He said the Rural Center had also supported the improvements at the Water Treatment Plant, so they had been really kind to the Town.

Commissioner Harrington said those projects were all sewer treatment projects, so this would be somewhat different. He said in any case he believed the Grants Committee should begin asking the appropriate questions to determine if receiving a grant from the Rural Center was feasible.

Commissioner Brooks stated that Mr. Poteat's presentation was excellent and commended him on the information that had been gathered. He said that Kenneth Hoyle, the Chair of the Planning Board, lived on the left between the road and the river going towards Bynum, and asked had there been any problems in that area. Mr. Poteat said he had not heard anything from Mr. Hoyle in a while, noting that when he did hear from him it was usually because repairs to the line had caused him to receive murky water in his system. He said Mr. Hoyle's line was about 50 yards from the water line to his house, which did not help things because the further away you were from the water line the more likely you were to have problems.

Commissioner Fiocco said utilizing the Grants Committee could be an asset for them, noting that if the Board wanted to go that route the Grants Committee was scheduled to meet on July 7 at 6:30 p.m. He suggested that Mr. Poteat attend that meeting and make a short presentation so that they could understand the problem and help the Town write and secure a grant. Commissioner Fiocco said he believed that would be a good use of their time and they were a very talented group of people. He said with some coordination with Mr. Poteat he believed they could make that happen.

Mr. Terry said there was a limit on the number of Rural Center grants that they could have outstanding. Mr. Poteat said you could have only 3 outstanding at one time. Mr. Terry said then they were in good shape since they had only the Water Treatment Plant and the Credle Street project outstanding. He said it was certainly worth applying.

Commissioner Fiocco said then he would expect Mr. Poteat to make a presentation to the Grants Committee on July 7. Mr. Poteat agreed to do so.

2. Fiscal Year 2009-2010 Budget Amendment.

Mr. Terry said that this was a year-end housekeeping item, noting that prior to doing the year-end closeout they looked at all their expense accounts to make sure that none were in the red that

would affect the audit. He said they had identified two accounts that were problematic, the first being the Police Department automotive and maintenance and repair line item and the other was the Sanitation Department contract services line item, both of which had been mentioned during the budget deliberations. Mr. Terry said they were requesting that \$5,000 be moved from the General Fund balance and that \$4,969 be moved from miscellaneous revenues which were accident insurance proceeds to cover the overage in the Police Department budget. He said that would not be enough to cover the entire overrun but believed it would be sufficient to prevent the overall Police Department budget from being overspent. Mr. Terry said they were also requesting that \$38,000 be moved from the General Fund balance to cover the \$37,986 overage in the Sanitation Department.

Commissioner Harrington asked how much of the Police overrun was due to accidents involving Police vehicles not covered by insurance. Mr. Terry replied about \$5,000, which was the amount proposed to be moved from miscellaneous revenues.

Commissioner Brooks said it bothered him that officers put so many miles on the Police vehicles while driving to and from their homes which also increased the maintenance costs. He said he did not believe it was fair for the citizens who had to pay that cost.

Commissioner Fiocco said he believed the overrun in the Sanitation Department seemed like a really large number.

Commissioner Bryan asked how that overrun had occurred. Mr. Terry said it was a contract for which they received a monthly bill, and the revenues collected through fees had not covered the cost of the contract services. He said that was why he had recommended a fee increase of \$10 for residential and 5% across the board for commercial to close that gap.

Commissioner Harrington asked hadn't they also experienced lower revenues because of the economic downturn, or had they lost customers or just misbudgeted. Mr. Terry said to the extent that they charged businesses for dumpsters; he believed the number of businesses had declined so less revenue was collected. He said residential remained fairly constant because the fee was charged on the tax bills.

Mr. Messick commented that he did not believe the fee charged for residential had ever covered the actual cost.

Commissioner Harrington said that may be the type of thing they needed to look at. Commissioner Baldwin agreed.

Commissioner Fiocco said he had thought the budget discussion they had had regarding raising some of the Sanitation fees were based on a projected future shortfall and not an actual shortfall. Mr. Terry said that trend analysis was how they got to the future, and that analysis had indicated that shortfall. He said the problem was that when you had such a shortfall if you did not resolve it by the end of the fiscal year it ended up being an audit finding in a subsequent year audit.

Commissioner Fiocco asked how they were coming out of this year in terms of costs associated with the current budget year. He said several months ago they had a surplus but believed that had been whittled away. Mr. Terry said they had used a good portion of that surplus, but they would still finish the year with a small amount of surplus left. He said his first year with the Town he had noticed that they tended to finish the year with a large surplus, so he had gradually been streamlining the budget estimates so that it better reflected actual needs. Mr. Terry said in prior years they had been returning 10% to 15% every year, so obviously they were over budgeting. He said his goal was more like 5%. He said all other departments were returning a small surplus, with these two budgets the only exceptions.

Commissioner Fiocco asked if Mr. Terry had an estimated surplus at this point. Mr. Terry said he had that information on his computer, but noted it would not be large and would be on the range of 3%. Commissioner Fiocco asked that Mr. Terry provide the Board with that information via an email tomorrow. Mr. Terry agreed to do so.

Motion made by Commissioner Harrington seconded by Commissioner Fiocco to approve the FY 2009-2010 budget amendment.

Vote Aye-4 Nay-0 Abstention-1 (Brooks)

AN ORDINANCE AMENDING THE FY 2009-2010 OPERATING BUDGET IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGE 17

Commissioner Brooks noted that he realized that his abstention counted as a yes vote, but it was his protest at overruns such as those noted.

Commissioner Baldwin agreed with Commissioner Brooks that they needed to stop those types of overruns whenever possible, commenting she believed it was a little overboard. She said when they have to keep going back and adding money to particular budgets then eventually there was no surplus left so they needed to be more careful.

Commissioner Fiocco said that one thing they could benefit from was a monthly statement of where they were as they went through the fiscal year. He said he believed that next year they should make decisions mid-year and along the way regarding spending or not spending. Commissioner Fiocco said they would need a good accounting each month as they went through that process. He said it was a reasonable checks and balance that the Board could do by having a monthly statement so they would know that they were where they thought they were.

Commissioner Brooks said he had a lot of admiration for the members of the Town Board, noting they had a lot of understanding of the modern world including technology, business, and finance. He said the Board actually did not have a lot of power, but they did have the power of the purse and he did not know if they were using that wisely or not. Commissioner Brooks said he believed what Commissioner Fiocco was suggesting was a more focused review of how they were spending money.

Commissioner Fiocco said he believed they all shared a responsibility to do that. Commissioner Bryan agreed.

Commissioner Harrington said they were in good shape but so many other jurisdictions were not. He said they needed to do whatever was necessary to make sure the Town remained in solid financial shape.

Mr. Terry said it was his understanding that the Board was requesting monthly financial reports, and asked did the Board want a report at the first meeting of every month on the prior month. He also asked would a quarterly report work just as well

Commissioner Fiocco said he had struggled with quarterly or monthly reports, but after tonight's discussion he wanted to have monthly reports.

Commissioner Harrington asked was a monthly report fairly easy to generate. Mr. Terry replied their automated system would provide that information.

3. Offer of an Interest-free \$240,000 loan from Central Electric Membership Corporation for the Purpose of Upgrading the Pittsboro Downtown Water System.

Mr. Terry stated that the loan was originally accepted by the Town as part of the funding for the 3M project, but the project had been completed using other funding sources. He said that the Central Electric Membership Corporation had now extended an offer to convert that loan to support the upcoming Downtown Water System Improvement project. Mr. Terry said if the loan was accepted by the Town, then it would be combined with other grant/loan funds for completion of that project. He said in order to proceed the Town Board would need to accept the offer for that interest-free loan in the amount of \$240,000.

Mr. Terry said if the loan was accepted, the next step would be that the Local Government Commission would have to approve it and once the Town Board accepted then they would expect it to be placed on the LGC's calendar for August. He said those funds would be combined with the USDA loan to provide the full funding that was needed to complete the project, estimated at \$1.6 million. Mr. Terry said the more funding they had in place the better, and once the bids were opened they would know how much funding was necessary.

Commissioner Fiocco said the resolution indicated that the Town would need to purchase and install the equipment in accordance with the terms of the Loan Agreement. Mr. Terry said that language referred to collateral.

Commissioner Fiocco asked was there a timeframe in which the Town had to act on that. Mr. Terry said yes, noting that the loan had been in place for about 7 years since the inception of the 3M project, and if the funds were not used soon it would have to be returned. He said the target date was August.

Commissioner Fiocco asked was there anything in the loan agreement that they should be concerned about. Mr. Terry said when they got to the actual execution of the project, the biggest

concern he would have would be analyzing cash flow and determining the Debt Service, and when the loan was combined with whatever would come from the USDA determining if that was a 50/50 grant or if it was all a loan. He said there would have to be an analysis done at that point to answer those questions. Mr. Terry said they had already incurred a debt of about \$62,000 a year for the Water Plant for the next 20 years, and they were now getting ready to incur debt of about \$750,000 so that Debt Service would have to be paid. He said before they got to the point of actually executing the contracts, they would do that detailed analysis to determine their long range ability to pay the debt service.

Commissioner Brooks remarked that the LGC will not let them have the loan if the Town could not pay it back. Mr. Terry replied that was correct, noting that if the LGC believed after reviewing all the evidence that the Town had reached its limit, then they would just say no. He reiterated that this was a loan that had been previously approved for another project

Commissioner Harrington asked when all of the paperwork would be done for the application to the LGC. Mr. Terry responded they would begin work on that fairly quickly so that they could go before the LGC in August. He said all the necessary information would be compiled during July. Mr. Terry reminded the Board that they would not incur any debt until the entire process was completed.

Commissioner Baldwin asked did they usually have a Deed of Trust for such loans. Mr. Messick said you usually could not get a loan, in that you normally would have to hold an election to get approval of General Obligation bonds or you would issue some other form of debt. He said some of those would involve a Deed of Trust on property, so that was not unusual. Mr. Messick said regardless of the form, it was implicit that the Town would pay its debts.

Commissioner Fiocco said then the Town would have to identify a particular parcel of real estate to use as collateral. Mr. Messick said that was correct, adding that it was only \$240,000 so it was not really a problem. Commissioner Fiocco said he would not want to encumber the Town more than was needed. Mr. Messick agreed.

Commissioner Baldwin said the resolution indicated that the loan would be paid over a period of 10 years. She asked if it was paid early, would there be a penalty. Mr. Messick said not generally.

Mr. Terry said it was an interest free loan so there would be no penalties, adding there also would be no advantage as far as savings should they pay the debt off early.

Commissioner Fiocco asked if they had a copy of the proposed loan agreement. Mr. Terry said approval of the resolution would allow them to get to that step. Commissioner Fiocco said then if they approved the resolution but did not like the proposed agreement, they would not be obligated in any way. Mr. Terry said that was correct, and if for some reason the Town did not spend the money, then they would simply give it back.

Commissioner Fiocco wondered if they did not use that funding for the Downtown Water System Project if it could be used for Woodberry Forest. Mr. Terry said he could certainly ask

that question, noting that the Central Electric Membership had been desperate not to be forced to return the funds, which was why the offer had been made to transfer it to the Downtown Water System Project. He said those funds were federal dollars that had been on the books for 7 years that had originally come from the USDA, who had sent the message to either spend it or give it back, and if the funds were returned it would not go back to the State but would go back to the federal government.

Motion made by Commissioner Harrington seconded by Commissioner Bryan to accept the offer of a \$240,000 interest free loan for the purposes of funding the Downtown Water System Project.

Vote Aye-5 Nay-0

A RESOLUTION ACCEPTING THE OFFER OF CENTRAL ELECTRIC MEMBERSHIP CORPORATION FOR AN INTEREST-FREE LOAN IN THE AMOUNT OF \$240,000 FOR THE PURPOSE OF UPGRADING THE PITTSBORO DOWNTOWN WATER SYSTEM IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGES 47-48

4. Added Item – Chapel Hill Transit Pittsboro Express Bus Service Contract Amendment.

Mr. Terry stated the attached resolution would authorize the Town Manager to execute an amendment to extend the Chapel Hill Transit Express Bus Service for a period of one year. He said the contract for the current services was to expire on June 30, and now that the County had approved its budget and the Town was very close to doing the same, Chapel Hill was now asking that the Town consider extending the service.

Mr. Terry stated that the County had budgeted \$51,000, and was asking that the Town contribute \$18,000. He said that was a little different from the agreed upon 80/20 split, noting this was closer to a 75/25 split, but was still affordable based on the Board's discussion. Mr. Terry stated that the Town's liability would be limited to \$18,000 for the upcoming fiscal year.

Commissioner Brooks said when they had originally joined the bus service, the Board had voted to pay for it using the proceeds from rider fees and the sale of liquor by the drink. He asked had that changed. Mr. Terry said their projection of proceeds from liquor by the drink had been grossly exaggerated, in that they had projected the earnings might be as much as \$48,000 but they had not achieved anything near that. Commissioner Brooks asked then where would the funding come from to pay for the bus service. Mr. Terry said it would come from the General Fund, noting that he could not even say that the cost would be offset from ABC liquor sales because the ABC Board had used its earnings for capital improvements rather than making a contribution to the Town as had been expected, and it was their right to do that. He said for all practical purposes, the Board should consider this to be General Fund expenditure.

Commissioner Brooks asked how much money had been generated in the last six months through ridership. Mr. Terry said if there was not a single rider on the bus the overall annual cost would be about \$120,000, and with an 80/20 split as first agreed upon the Town's contribution was estimated to be \$2,000 per month. He said that was why they had used the worst case scenario

and budgeted \$24,000. Mr. Terry said the experience had been that there had been some success achieved through advanced ticket sells to the University and some revenue from people purchasing monthly passes. So, he said, instead of the worst case scenario of \$2,000 a month they were actually averaging around \$1,300 a month. Mr. Terry said that was why he had reduced the budgeted amount for the coming year to \$18,000.

Commissioner Bryan said if memory served him correctly the Town had agreed to \$2,000 a month for a six-month trial period.

Commissioner Harrington said it was his recollection that it was for 18 months. Mr. Terry said the 18 months was the duration of the federal grant that Chapel Hill had received. Commissioner Harrington asked then why was the contract cut-off date on June 30. Mr. Terry said because the Town and the County had not wanted to have a contract that spread over into another fiscal year. Commissioner Harrington said he had thought that when they had budgeted for next year they would have a chance to actually review that. He said he had no problem budgeting it but he had wanted to have a chance to review the contract, and now the contract was due to expire. Commissioner Harrington said he had hoped they would be able to push back on Chapel Hill, noting he was very interested in the ridership numbers as well as the routes that he was fairly certain no one was riding. He said cutting one of those routes would cut costs by a third, and he had wanted to talk about that. Commissioner Harrington said he was convinced without seeing the ridership numbers that the primary ridership was on one route, so it may even be possible to cut out two routes for a significant savings. He said his point was he was convinced they were subsidizing empty buses and that bothered him a great deal.

Commissioner Harrington said had he known in advance that this was coming up then he would have wanted Mr. Litchfield with Chapel Hill Transit present tonight so that they would get those numbers and tell him that they did not want to subsidize empty buses and therefore cut the costs by a third and figure out how to reword the contract. He said unless Mr. Litchfield could show that the other buses were carrying a load, then that would be his preference. But, he said, he did not believe anyone was riding the early bus, noting the 7:00 a.m. bus and the 7:20 a.m. bus were the ones that were most utilized.

Commissioner Harrington said he had at least wanted the opportunity to evaluate that, but now they were being asked to sign a contract for the exact same system in place, which he believed was at least partially a waste of money.

Commissioner Brooks said their goal originally was that because of the parking nightmare in Chapel Hill that they wanted to help people who worked on the UNC campus and UNC Hospital to get to work and get home without having to take their vehicles into Chapel Hill. He said using the bus for shopping or other things was a secondary consideration. Commissioner Brooks said that was what they needed to adhere to, and they needed those ridership figures in order to determine how to move forward. He said he had talked with a citizen who had said if they used smaller buses then it would probably accommodate the ridership coming from Chatham County.

Commissioner Baldwin said she had spoken to some people who rode the 7:20 a.m. bus who had reported that it was generally full. She said they had also reported that the first bus was not well used.

Commissioner Brooks said that just reinforced the need to determine which ones to keep and which ones to do away with.

Commissioner Baldwin said she had spoken to County Commissioner Kost and she had explained why they believed that Pittsboro should budget \$24,000 rather than \$18,000. She said Commissioner Kost had told her that the County had increased its budget from \$43,000 to \$51,000, so the County did not understand why Pittsboro should not increase the amount it was willing to budget. Mr. Terry said the Town had budgeted \$24,000 which was for the entire year, and last year the County had budgeted \$47,000 which obviously was not an 80/20 split. He said the County had budgeted only for the 6-month trial period and not for the whole year, so the logic was a little fuzzy. Mr. Terry said they had lowered the amount budgeted based on one year of actual experience but had not reduced its support for the system. He said they had only conservatively budgeted based on that past experience. Commissioner Baldwin said she did not believe the County had looked at it in that manner, noting Commissioner Kost had indicated that a majority of the County Commissioners had felt that if the County increased their funding then the Town should do so as well.

Commissioner Fiocco said but they were increasing their contribution. Mr. Terry said that was true, because the Town had agreed to an 80/20 split, and with \$51,000 from the County and \$18,000 from the Town they were now down to a 75/25 split. So, he said, they were increasing proportionally the Town's share.

Commissioner Fiocco asked had Mr. Terry had that discussion with County Manager Charlie Horne. Mr. Terry responded he had sent him an email and had eventually called him. Commissioner Fiocco said he believed they had two issues that were not necessarily linked to signing a contract and keeping the bus service running. Mr. Terry said they could do as suggested and get an analysis of the service with ridership numbers and still approve the resolution tonight. He said that the contract would allow termination of their participation at any time without cause upon 60 days written notice. Mr. Terry said they could go ahead and extended the contract tonight and then take the necessary time to get an analysis of the service and have Mr. Litchfield come before the Board, which he believed could all be done in the next 90 days. He said then if the information received was not satisfactory they could execute the 60 days notice clause and terminate the service midyear.

Mr. Terry said during a meeting between the three entities, Mr. Horne had brought up the question of the low ridership route, and Mr. Litchfield's response to that was that you had to have a certain level of service before it was worth having the service and had cited the fact that you could not just call a driver in for a hour and half, so there was a certain critical mass of work that needed to be accomplished before the service was worth providing at all. Mr. Terry said that Mr. Litchfield had indicated he believed they had it shaved down about as far as it could go.

Commissioner Baldwin said if that was the case then what Chapel Hill Transit needed to do was to advertise and come up with a better marketing plan. She said there were potential riders who still were not aware that the service was provided. Commissioner Baldwin said to have an empty bus burn fuel and was not cost effective.

Commissioner Harrington said it had been mentioned before that they had to run 3 buses in order to keep a driver employed, noting that it would likely be much less expensive to just pay a driver for 3 hours for 1½ hours of work. He said to run 3 buses just to keep someone employed was not sensible. Mr. Terry said he knew that Chapel Hill ran hundreds of buses so this route was just a small part. He said many of the bus drivers came in early in the morning and worked during the peak hours for 4 hours, then were sent home and called back in mid afternoon to work the evening peak hours for another 4 hours, which was a really horrible schedule. Mr. Terry said those schedules were complicated and he respected Mr. Litchfield's opinion regarding scheduling a driver.

Commissioner Fiocco said he believed Mr. Terry had mentioned at one time that they really did not have to have a contract in place to continue the service for a short time. Mr. Terry said he did not recall him saying that, but believed it was possible. He said he knew that Mr. Litchfield was anxious to get the contracts signed by the Town and the County, but even if the Town approved the contract there was no guarantee that the County would do the same. Mr. Terry said the 60 day notice of termination clause should provide the Board some comfort that they were not obligated to continue the service for the entire year.

Commissioner Harrington said at present the contract stated that the Town's share would not exceed the \$18,000 that had been budgeted. Mr. Terry replied that was correct. Commissioner Harrington said he did not want to shut the service down tonight but he would like to have some figures so that they were not paying for an empty bus. Mr. Terry said he could invite Mr. Litchfield to attend the Board's July 26 meeting to present a full report on ridership and costs.

Commissioner Baldwin said she would like to have that full report before making any decision on the bus service. She said she would like that report to include efforts being made or planned in terms of marketing and advertising to increase ridership. Mr. Terry said he would relay that information.

Motion made by Commissioner Harrington seconded by Commissioner Bryan to take no action on the contract and to invite Mr. Litchfield to attend the July 26th meeting to present information on ridership by route, and well as marketing and advertising efforts.

Vote Aye-5 Nay-0

CAPITAL PROJECTS REPORT

1. Manager's Update on Capital Projects.

Mr. Terry provided the following update on Capital Projects:

- Disinfection Byproducts Reduction Project – Work is in progress and is about 50% completed on the installation of the permanent facilities for feeding ferric sulfate.
- Southern Community Park – The deadline for submission of Statements of Qualifications is June 24. Based on the number of firms that have requested site visits, they expected to receive about 15 Statements of Qualification. They expect to review those during early July and conduct interviews of a short list of about 4 or 5 before the end of July.
- Downtown Area Water System Improvement Project – Hydrostructures has completed their work on the application and has requested a meeting with Town staff to review the document, with that meeting tentatively scheduled for July 1st or 2nd.
- Former Rock Springs Park (renamed tonight the Mary Hayes Barber Holmes Park) – Grass had been mowed for the first time and work continued on the punch list items, including redoing some of the impervious pavers that had settled a couple of inches and cracked. They were very near completion of the punch list items.
- Pedestrian Conveyance System Project – Project Engineer Becky Smith of Hydrostructures will provide a project update to the Board tonight.

Commissioner Fiocco stated he had made mention at the last meeting of a problem he had noticed with the gravel at the stair entrance at the park. Mr. Terry stated that was on the punch list and would be corrected.

Mr. Terry stated that Becky Smith, Project Engineer with Hydrostructures, was present to provide the Board with an update on the sidewalk project related to the traffic circle.

Becky Smith stated that DOT had given plans to the Town's contractor and that contractor was putting together a cost analysis. She said once that was received the Town could then accept or decline that cost. Ms. Smith said there had been some question about specific line items, and DOT had internally decided through federal auditors which particular line items they would cover, and that may mean that some of the line items listed may get kicked out. She said based on her information utility problems in the right-of-way would not be covered and there may be power pole issues that DOT would not include. Ms. Smith said there also appeared to be some confusion internally with DOT, noting that the federal program was being handed down to the states so they were learning on the fly. She said there had been a few projects done ahead of Pittsboro's, and they had learned that the auditors were not making clear the steps that needed to be taken. Ms. Smith said her point was that there was not anything that had been left out of the plan but that there were State employees implementing the grants who were not aware of all the requirements from their federal counterparts.

Mr. Terry said he was hearing that Ms. Smith was saying the Town may have to bear some additional cost. Ms. Smith said perhaps, but perhaps not. She said because the Town had laid out the project in such a clear manner DOT may just go with it.

Commissioner Fiocco asked why the Town would be paying for utility poles to be relocated since they were not the Town's poles. Ms. Smith said that was true, but they would be asking DOT to move or do something that would not normally be required. Commissioner Fiocco asked why it would not have been required for this project. Ms. Smith said the pole was in the way of the sidewalk installation. Commissioner Fiocco asked could they locate the sidewalk

around the pole. Ms. Smith replied not in this instance because it would create a stormwater issue, noting that the pipe needed to be installed where the pole was sitting, so it had to be moved. Commissioner Fiocco said by adding the sidewalk they had pushed the ditch out to the pole. Ms. Smith said that was correct and DOT may not kick it out, but she had wanted to bring it to the Board's attention just in case.

Commissioner Fiocco said he believed they had more money to spend on sidewalks than they were actually putting into this project, so that contingency could pay for the relocation of a utility pole.

Commissioner Bryan asked could it be spent that way. Mr. Terry said it was all grant money and the DOT may disallow other items as well. He said before the Town executed anything he would like to get a complete accounting so they would know what the full cost would be.

Ms. Smith said that DOT had asked the federal auditors to completely review the engineer's estimate, so once they had that in addition to the contractor's costs they would be able to either accept or decline.

Commissioner Fiocco asked were there other issues hanging out there similar to the issue with the pole. Ms. Smith said that was a particular line item that bothered them, but there was nothing else on the list that had caught their attention at that particular time. She said there were two projects ahead of Pittsboro's project and DOT was still on a learning curve

Commissioner Bryan asked if this would delay project on NC 87. Ms. Smith replied no. She said if he was asking could the sidewalk be put in and not affect the critical path of the road and roundabout, it could be put in and not delay the road work. Ms. Smith said she certainly expected some confusion and there would be a lot more work going on in other areas, such as on the east side of NC 87 and on Salisbury Street. She said it was unfortunate that citizens had already tolerated dust and noise and the traffic confusion associated with that project.

Mr. Terry said the road was expected to open around August 20, but the sidewalk project may continue. Ms. Smith said that was correct, noting that to complete the sidewalk around the roundabout, not having to have traffic control was a major cost savings. She said completing the remainder of the sidewalk down to the traffic light would not be an issue for traffic.

Commissioner Bryan said but they would put that in before the road was completed. Ms. Smith said yes, the roundabout and the sidewalk. Commissioner Bryan said that was not a part of the utility pole issue. Ms. Smith said that pole was down Salisbury Street. She said there would be sidewalk down Salisbury Street, but because of the grade from Al's Diner to the new roundabout as you came into Salisbury Street it looked flat but was actually a low grade. Ms. Smith said handling the stormwater from all the new curb and gutter that would travel down Salisbury Street would require some work.

Commissioner Brooks said that Progress Energy had in the past been very helpful about doing projects in the County, and they may be willing to move the pole. Ms. Smith said that Progress Energy had actually been out to the site and had provided them with a cost estimate to move it.

Commissioner Brooks suggested contacting Marty Clayton who was their PR person, noting he may be able to provide some help.

Philip Culpepper remarked that he believed Progress Energy hired subcontractors to do that kind of work, so there was a much less chance that Progress Energy could provide any help. Ms. Smith said because of the stormwater issue the utility pole would have to be bigger and deeper in the ground.

Mr. Culpepper remarked it would still be worth contacting Mr. Clayton.

Mr. Terry asked when they expected to get the final estimate from the contractor. Ms. Smith they were hoping to receive it before the audit, which should be this week.

Commissioner Harrington asked what the worst case cost would be for moving the power pole. Ms. Smith said the estimate she had been given was between \$3,000 and \$3,500, and so far that was the only line item that DOT had balked on.

Commissioner Fiocco asked about easements for the sidewalk. Ms. Smith said when the job was approved from DOT in August of last year the right-of-way for that sidewalk had to be verified for its entire length. She said easements since then had been required from 3 homeowners, 2 on the corners of Salisbury and NC 87 and 1 for some temporary construction activity. Ms. Smith said homeowners had been asked for 5 additional feet of right-of-way just for construction of a softer grade ditch, and ultimately they had been able to get those easements from the homeowners on the corner. She said they had not been able to get an easement from the one homeowner because it would have created a steeper incline. Ms. Smith said even without that easement the project was still workable. Commissioner Fiocco asked was it more costly to do the ditch in that way, and did it have to be reinforced as a result. Ms. Smith replied no, it would just be a little more difficult to achieve. Commissioner Fiocco said then the work could be done without that easement. Ms. Smith replied yes, noting the homeowner had been concerned about the depth of the slope. Commissioner Fiocco asked had she been able to meet with that homeowner on the site and point out the work that was required.

Mr. Messick remarked that Ms. Smith had gone above and beyond what was usual in that case.

Commissioner Fiocco said he understood how difficult it was for people who were not used to looking at a set of plans to imagine what those lines meant. Ms. Smith said that was correct, that it was difficult to get a visual picture of what they would end up with.

Commissioner Baldwin said that she had been told that fire trucks would not be able to go around the roundabout on NC 87, nor would log trucks. Mr. Terry said that was the first he had heard of that. Commissioner Baldwin said she had been told that the Fire Marshal had said that the trucks could not make that turn. She said at present they were using the detour of Mitchell's Chapel Church Road, which was causing problems because it was deteriorating that secondary road. Commissioner Baldwin said she did not know that the roundabout had been well thought out in terms of the volume of traffic. Mr. Terry said he would make some calls and see what could be determined. Commissioner Baldwin said if her information was correct, then DOT had

a major problem to solve. Mr. Terry said if fire trucks could not make the turn, then he was concerned about garbage trucks and other large vehicles as well.

Commissioner Harrington said they had a contract regarding Springdale that they needed to make a decision about, and at the last meeting the Board had requested an updated engineering estimate. He said the developer's engineer had provided an estimate of \$50,000 but the Board had asked for an independent estimate. Commissioner Harrington said as well, Commissioner Brooks had asked if NCDOT would help with the water lines, so certainly they needed to get an estimate before any decision was made. He asked could an independent estimate be provided by the Board's next meeting as well as a response from NCDOT. Mr. Terry said he believed that Jay Johnston could provide them with an updated estimate, noting that the Board's next meeting was scheduled for July 26th.

Commissioner Harrington said he also believed they would want to see a guarantee of that offer for reimbursement. He said the contract stated they would provide security for the amount to be paid, and he would be looking to make sure that was in order before they proceeded. Commissioner Harrington said once they got the cost estimate and they had determined it was in line, he wanted to know if the Board would strongly consider that evidence was to be in place to guarantee that payment.

Commissioner Fiocco said he would like to see the cost estimate as well, noting that when DOT issued a driveway permit or an encroachment agreement of this nature they had probably 57 written stipulations about what would happen with that contract. He said the plans did not show any relocation of the water line, but there would be a stipulation that said all utilities would be out from beneath the new asphalt. Commissioner Fiocco said if that was not included then when the work was inspected they would be told that they had to relocate the water line. He said when they looked at that encroachment agreement they should be careful to scour those stipulations to make sure they understood the full scope of what was permitted.

Commissioner Harrington said they may be a little premature with that, noting they would need to see the cost estimates first. He said he believed Commissioner Fiocco was concerned that the cost estimates would not reflect the true costs. Commissioner Fiocco said that was correct, because they may just price what was shown on the plans, but DOT stipulations added to what was shown on the plans.

Commissioner Harrington asked then how could they determine that full cost. Commissioner Fiocco said someone would have to look through the permit documents to identify those hidden costs.

Commissioner Harrington asked was that something they could specifically ask of Jay Johnston. Mr. Terry said he could work that out with Mr. Johnston and make sure contact was made with DOT.

Commissioner Fiocco said he was sure that Mr. Johnston was experienced in looking through those kinds of documents and identifying those additional expenses.

Commissioner Harrington said then from his experience that was not the type of thing that DOT would reimburse the Town for, even if it was something that was required by their stipulations. Mr. Messick said if it was a DOT project they would cover the costs, but not in this case.

Commissioner Bryan said he would never ask the citizens of Pittsboro to bear any costs that should have been a developer's expense.

RECESS

Motion made by Commissioner Fiocco seconded by Commissioner Bryan to take a 5 minute recess at 10:10 p.m.

Vote Aye-5 Nay-0

RECONVENE

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to go back into open session.

Vote Aye-5 Nay-0

Consideration of FY 2010-2011 Budget – Moved from Old Business.

Mr. Terry stated that before the Board tonight was the Manager's final recommended budget for FY 2010-2011, noting that all of the requested changes had now been incorporated into the document. He said the summary memo contained a chart that showed the changes incorporated into the budget after the budget work sessions and the public hearing. Mr. Terry said based on the Board's discussion on a vehicle for the laboratory technician, he had believed it was appropriate to also reduce the cost of the Town Engineer's vehicle by \$10,000, assuming that the Board would be agreeable to purchasing a used vehicle instead of a new one.

Commissioner Fiocco asked was that reflected in the Town Engineer costs shown in the table. Mr. Terry replied yes, noting they had budgeted for 9 months of salary and \$25,000 for a vehicle, but the costs now reflected 6 months' salary and \$15,000 for a vehicle.

Mr. Terry said in terms of impact on Fund Balance, the full impact was now \$158,631 when prior to the changes that total had been \$239,000. He said the impact on Enterprise Fund Balance was now down to zero with a small surplus that would be transferred to Capital Reserve for future capital projects in the Enterprise Fund of \$13,947.

Commissioner Bryan asked if that \$13,947 was for next year's budget. Mr. Terry said it was for next year, noting that the Board had authorized an increase of \$1.00 in water rates and \$1.00 in sewer rates, partially to cover the cost of the Town Engineer and also so that they could do 2 incremental increases rather than one large increase to help offset the costs of Debt Service that would have to be paid on the Sewer Plant. He said he had not expected that to produce a surplus, but when they had reduced the amount of money they were having to pay for the Town Engineer that action had reduced the expenses, and combined with the increased revenues it had created a

small surplus in the Enterprise Fund. Mr. Terry said that small surplus had been placed in the Capital Reserve Fund for future capital projects. He said the two increases the Board had approved as well as the 5% increase for solid waste services had been incorporated into the numbers.

Mr. Terry said he wanted to call attention to a couple of items in the CIP. He said on page 41, the last two items were projects the Board had discussed but had not funded. Mr. Terry said the first was Greenway Improvements proposed to be funded at \$10,000 to improve trails and other amenities, so that project had been added but it would not be funded until the Board approved a project ordinance. He said the second item was Sidewalk Improvements, noting that in one of the budget work sessions Commissioner Baldwin had suggested they begin budgeting for sidewalk improvements at about \$50,000 a year. Mr. Terry said that project had been included but again would not be funded until the Board adopted a project ordinance.

Mr. Terry said now that all of the recommended changes had been incorporated into the final budget document, he was recommending that the Board adopt the budget ordinance approving the fiscal year 2010-2011 operating budget for the General Fund and the Enterprise Fund, and that they adopt the resolution approving the fiscal year 2010-2011 Capital Improvement Plan.

Commissioner Brooks said when they were discussing some of the items in the budget he believed the Board had said that some of those things, such as the Engineer's position, would be contingent upon revenues coming in. Mr. Terry said that was correct, noting he had no authority to advertise for or hire an Engineer until the Board gave him that authority, but the money was budgeted for 6 months' salary. Commissioner Brooks said if the Board was to approve the budget as presented they had some outs if the revenues did not come in as expected. Mr. Terry said that was correct, noting the Engineer's position could be deferred to the next year as could anything else. He said he would be bringing forward in January a mid-year report that would include an analysis of revenues and expenditures through the end of December, but a more useful report would come a few weeks later because they would then have a better idea of what their tax revenues would be. Mr. Terry said at that time the Board could make some decisions to reduce or eliminate services or make other changes. Commissioner Brooks said he had brought that up because he believed it would give the Board more confidence in adopting a budget during these difficult financial times.

Commissioner Harrington he had wondered if they could come back and make some cuts if necessary. Commissioner Brooks said they could make whatever cuts the Board deemed necessary at any time.

Commissioner Fiocco said a line item of concern to him was the Debt Service on the ARRA loan repayment, which appeared to be due in May of 2011. He asked was there any way that could be managed such as putting it off until the following year. Mr. Terry said he could contact the people who were administering the loan and determine if putting off that payment was possible. He said when they had received the Debt Service payment schedule it had indicated that the payment would begin in the next fiscal year. Mr. Terry said that payment was noted as being due May of 2011, but believed the payment would have to be made by the fall. He said that was why that first Debt Service payment of \$62,000 was not reflected in the upcoming budget.

Commissioner Harrington said they had had a lengthy discussion about the \$80,000 requested for the park at 3M, and he did not remember all the details. He said he believed that was an “Add” item that had not been added to the budget, and asked was that his recollection. Mr. Terry said that was a CIP project and no funds had yet been budgeted for that project. He said they were just now interviewing architects and would likely hire someone in July or August, so the Board would likely see a project budget ordinance in either July or August.

Commissioner Baldwin said in regards to the meter tampering fees as noted on page 9, she wanted to suggest increasing that tampering fee from \$100 to \$500 as a deterrent. The Board briefly discussed the pros and cons of that suggestion, with Mr. Terry commenting that he saw no reason not to make the change. He added that it would not change any of the budget figures on the expense or revenue side since it was such an infrequent occurrence.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to adopt the budget ordinance approving the fiscal year 2010-2011 operating budget for the General Fund and the Enterprise Fund, amended to include an increase in the meter tampering fee from \$100 to \$500.

Vote Aye-5 Nay-0

FY 2010-2011 BUDGET ORDINANCE IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGES 18-25

Motion made by Commissioner Bryan seconded by Commissioner Brooks to adopt the resolution approving the fiscal year 2010-2011 Capital Improvements Plan.

Vote Aye-5 Nay-0

A RESOLUTION ADOPTING THE MANAGER’S RECOMMENDED CAPITAL IMPROVEMENTS PROGRAM FOR FISCAL YEAR 2010-2011 THROUGH FISCAL YEAR 2014-2015 IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGE 49

Commissioner Concerns

Commissioner Brooks said the sidewalk in front of the dentist office on Thompson Street had been completed, but there was a very sharp drop off. He said he was concerned that pedestrians or someone in a wheelchair may be hurt and he would like to have a railing added to provide for better safety for citizens.

Commissioner Fiocco said he believed a railing needed to be on top of that wing wall as well. He said they had extended a large culvert, and one of the reasons they could not put the sidewalk in was that the culvert had not been extended far enough. Commissioner Fiocco said so instead of pushing it out, they had come up with a vertical wall to hold the dirt back, and there was now shear drop of as much as 10 feet so it was dangerous.

Commissioner Brooks agreed that both areas needed a railing. Mr. Terry said he had not been out to inspect that yet, but perhaps there was some fill going in that had not yet been accomplished. Commissioner Brooks said they needed the railing in any case.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to install a railing at the sharp drop in front of the dentist office on Thompson Street including one on the wing wall.

Vote Aye-5 Nay-0

Commissioner Fiocco thanked Mr. Terry for all his work on the budget.

CLOSED SESSION

- 1. Closed session pursuant to G. S. 143-318.11(a) (6) to receive information and hear discussion regarding personnel matters.**

Motion made by Commissioner Brooks seconded by Commissioner Bryan to go into Closed Session at 10:32 p.m. to discuss personnel matters.

Vote Aye-5 Nay-0

ADJOURN

Motion made by Commissioner Brooks seconded by Commissioner Bryan to return to open session and to adjourn the meeting at 11:15 p.m.

Vote Aye-5 Nay-0

Pamela A. Baldwin
Mayor Pro-Tem

ATTEST:

Alice F. Lloyd, CMC, Town Clerk