

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, MARCH 14, 2016
7:00 PM

Mayor Cindy Perry called the meeting to order and called for a moment of silence and asked that we keep the families of John Clifford (former Planning Board member) and Ileana Platon (death of her mother) in our thoughts.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Commissioner Farrell.

ATTENDANCE

Members present: Mayor Cindy Perry, Mayor Pro Tem Pamela Baldwin, Commissioner John Bonitz, Jay Farrell, Michael Fiocco and Bett Wilson Foley.

Staff present: Manager Bryan Gruesbeck, Clerk Alice F. Lloyd, Attorney Paul S. Messick, Jr., Planning Director Jeff Jones and Engineer Fred Royal.

Motion made by Commissioner Fiocco seconded by Commissioner Foley to approve the agenda as submitted.

Vote Aye-5 Nay-0

CONSENT AGENDA

Motion made by Commissioner Baldwin seconded by Commissioner Fiocco to approve the consent agenda as submitted. The Consent Agenda contains the following items:

1. Approve Minutes of the February 22, 2016 Regular Meeting.

Vote Aye-5 Nay-0

REGULAR MEETING AGENDA

CITIZENS MATTERS

None

COMMISSIONER UPDATES

Mayor Updates – Mayor Perry attended the Triangle J Council of Government Mayor’s meeting where they discussed the “solar bees” project which cost \$3.1 million dollars and will continue until 2018 even though they know it doesn’t work.

- EDC – Mayor Perry attended the first EDC meeting where Kyle Touchstone was the Director. There was a presentation from Newland Communities about Briar Chapel.

- RPO – Commissioner Fiocco stated they would not meet again until April.
- Fairground Association
- PBA/Downtown – Commissioner Fiocco stated the PBA has elected new board members.
- Triangle J Council of Governments
- Main Street – Commissioner Fiocco said he did not attend the meeting but they are making good progress with design and merchants sub committees.
- Climate Change – Commissioner Bonitz stated the committee met last week. The committee feels they will be able to update the 2010 baseline report themselves without county expense. He also agreed to serve on subcommittees for baseline report and agricultural & forestry.

Mayor Perry said the Board attended a joint meeting with Chatham County Board of Commissioners and Chatham County Board of Education for a presentation from Chatham Park. She felt it was good to have everyone together at the same time and to be able to ask questions. She hopes it will continue on a quarterly basis.

Commissioner Foley said she meet with a NC Arts Council member today and he made a suggestion that we look at having a Public Art Ordinance. He had good examples of the ordinances.

Mayor Perry said she also meet with the School Board discussing how to be a better ambassador for the school system.

OLD BUSINESS

PLANNING BOARD APPOINTMENTS (JEFF JONES)

Planning Director Jeff Jones stated at the February 22, 2016 meeting the Board voted to reconfigure the make-up of the board from an equal split (3-3) to a (4-2) split, four (4) In-Town members and two (2) ETJ members.

Tonight the board need to make four In-Town appointments to the Planning Board. Three (3) members and (1) alternate.

Mayor Perry stated she was contacted by Casey Mann who withdrew her application. She is now serving on other boards and is also working for The Chatham Record.

Motion made by Commissioner Baldwin seconded by Commissioner Fiocco to appoint Alfreda Marsh to a term expiring in December 2017.

Vote Aye-5 Nay-0

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to appoint Beth Turner to a term expiring in December 2018.

Commissioner Bonitz said he has served with Beth Turner and consider her a friend. But he feels we have candidates for the position that have significantly more experience, and bring real

interesting background and expertise to Planning and to the challenge the Town is facing. Therefore he will not be voting for Beth.

Commissioner Foley said that she feels the same and that she considers her a friend and she was an honorable Commissioner. She feels the Planning Board really needs some expertise.

Commissioner Fiocco said he served with Beth on this board four years. He thinks she has done a great job for this Town and that's his reason for this recommendation.

Commissioner Baldwin said she concurs with Commissioner Fiocco that Beth has done an excellent job and that she could add something to the Planning Board.

Vote Aye-3 Baldwin/Farrell/Fiocco
Nay-2 Bonitz/Foley

Motion made by Commissioner Farrell seconded by Commissioner Foley to appoint Karl Shaffer with a term expiring in December 2017.

Commissioner Farrell stated Mr. Shaffer has served on the Planning Board but resigned and he is now ready to serve again.

Commissioner Bonitz said he is very impressed with his qualifications.

Commissioner Fiocco said he has always thought very highly of him. He feels he is very capable and objective.

Vote Aye-5 Nay-0

Motion made by Commissioner Bonitz seconded by Commissioner Foley to appoint Bob McConnaughey with a term ending December 2017.

Commissioner Fiocco said he cannot support Bob. He was witness to him participating in a matter that involved his property. He participated in the discussion but excused himself from voting. And for that reason he cannot support Bob.

Commissioner Bonitz said his qualifications are tremendous and that he brings a tremendous amount of knowledge to the board. He really thinks the board needs his expertise.

Vote Aye-4 Bonitz/Baldwin/Farrell/Foley
Nay-1 Fiocco

SPECIAL ASSESSMENT DISTRICT OVERVIEW (BRYAN GRUESBECK; PAUL MESSICK)

Manager Gruesbeck gave the following PowerPoint presentation on Chatham Park Special Assessment District.

Chatham Park Special Assessment District

- Special Assessment Districts (SAD) are not new – 50 years. Used in a lot of other states.

- SAD's typically allow local governments to assess the cost of providing an improvement against a particular property.
- Local Governments typically front the cost of the improvements.
- The costs of the improvements are then, typically paid back to the local government over a period of time with interest and fees.
- General Assembly authorized local governments the ability to pledge new assessments as security for revenue bonds.
- GS Ch 153A, Art. 9A allows counties to make certain improvements:
 - Constructing, reconstructing, paving, widening and otherwise building and improving streets and installing curbs and gutters.
 - Constructing, reconstructing, paving, widening and otherwise building and improving sidewalks on any public street.
 - Constructing, reconstructing, paving, widening and otherwise building and improving water systems.
 - Constructing, reconstructing, paving, widening and otherwise building and improving sewage collection and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
 - Constructing, reconstructing, paving, widening and otherwise building and improving storm sewer and drainage systems.
 - Constructing, reconstructing, paving, widening and otherwise building and improving beach erosion control or flood and hurricane protection works.

Manager Gruesbeck said GS 10A is for municipalities. As it stands right now Chatham Park has about 7,000 acres located in the ETJ and the GS does not allow municipalities to special assessments until annexation occurs.

- Chatham Park proposes a SAD with variations to the current method (GS Ch 153A, Art. 9A (Counties).
- These variations are not currently allowed by GS Ch 153A, Art. 9A.
- The most notable variation: the assessments would be used to reimburse the developer for public improvement incurred by the developer.
- Reimbursements for improvements would be approved in advance.

- The developer would incur the total cost of the SAD – no borrowing required by County or Town.
- The public improvements would be conveyed to the entity that owns the improvements.

Manager Gruesbeck stated in some cases the roads would be turned over to the state.

- One SAD for all of Chatham Park.
- SAD term = 25 years. There would be a payment cycle as the development is built out.
- Annual assessment for residential property would be capped at an average of \$500. Commercial property would likely have a limit (based on sq. footage).
- Where are we now?
 - County has received two presentations from developer and is performing their due diligence.
 - The Town has allowed the County to perform due diligence. Final support will be contingent on the County's findings.
 - Legislation will need to be introduced to modify the current GS.
- Possible Considerations:
 - Improvements made: which improvements are contemplated for the SAD?
 - Transition – Legally structuring how infrastructure is transitioned to the Town.

Attorney Messick said the proposed changes are in red on the document included in the agenda. On page 2 item 5 is the key to the whole scenario “funds from private or third parties”. On the next page “c” is the other half of the scenario “Reimbursement from Assessments. If a board of commissioners contracts with a private or third party to construct a project on its behalf, as provided in GS 153A-210.7, the board of commissioners may agree to impose one or more assessments pursuant to this Article in order to reimburse such private or third party for costs incurred by the private or third party related to such project. If a board of commissioners contracts with a private or third party to construct a project, as provided in GS 153A-210.7, and imposes an assessment in order to reimburse the private or third party for the costs of the project, the board of commissioners must covenant to enforce the payment of the assessments.”

Commissioner Farrell asked if this would allow others to request this also. Attorney Messick said yes, it is being presented as a statewide change not a local act.

Commissioner Fiocco asked that staff compile a list of all the things that might be developed through this district.

There was discussion on repair/replacing this infrastructure in the years to come – how is it going to be financed. Attorney Messick stated developers are paying for the infrastructure – it is not costing the town a dime – it’s free. The Town will be receiving Capital Recovery Fees, taxes, etc. on these 7,000 acres.

Commissioner Fiocco stated the contract with Sanford would be contingent upon a very good agreement that will protect us if the deal with Sanford soured.

Commissioner Bonitz said to summarize it: this is a legal process that is yet to unfold and we don’t know if the legislature is going to approve it by which the developer say they will be making the improvements up front. The assessment will be collected by the county. The new property owners in Chatham Park will be taxed (he know it’s not called a tax, but an assessment). Residents and commerce will be assessed fees. Manager Gruesbeck said yes.

Commissioner Fiocco stated if the legislature don’t pass new legislation the discussion can stop. If they do it is going to be upon the Town and County to establish a district. Clearly, to make a decision to establish a district we are going to have to have a lot of information.

Commissioner Baldwin asked about other options.

Mayor Perry stated they receive the report.

ADDITIONAL UPDATES AND REPORTS

MANAGER’S UPDATE ON PROJECTS

Manager Gruesbeck gave an overview of the updates submitted in the agenda packet.

Sanford Sanitary Sewer Line Extension/WWTP Enhancements – The Mayor and I attended a meeting with representatives from the North Carolina Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI) on March 2, 2016 w/r/t the Town’s application to the Clean Water State Revolving Fund (CWSRF) application. You may recall that the Town received a “Notice of Intent” (NOI) for funding improvements to the existing WWTP and the extension of a sanitary sewer force main from Pittsboro to Sanford.

Essentially, the NOI creates a need for more work. We will need to take steps to design the project, allow DWI to review and approve the design, submit bid package for DWI review/approval, allow the Local Government Commission (LGC) to review the design/intergovernmental agreements/developer agreements, select a bidder, execute a contract with the successful bidder, get approval from DWI to approve the bidder/contract...and begin construction.

Once the construction phase begins, we will need to coordinate with the DWI and the Contractor to administer the project and process the payments. I have attached a flow chart from DWI and I will review this with you during our Board meeting.

In our case, the “intergovernmental agreement” mentioned above would be a Service Contract between the City of Sanford and the Town of Pittsboro. I have had initial discussions with

Sanford's Town Manager and Utilities Director and they are agreeable to using their agreement with the Town of Goldston as a template. A few items are subject to more discussion – namely the cost of service and ownership of the infrastructure. In other words, the Goldston agreement is a starting point.

Additionally, we will need to execute an agreement with the developer, which will spell out how they will assist the Town with the loan repayments. Preston has indicated their willingness to guarantee the payment of capital fees as a means of guaranteeing CWSRF payments.

I have been reaching out to Financial Advisors (FA) who have experience in infrastructure, the LGC as well as intergovernmental and developer agreements in order to assist the Town through this critical stage. I look forward to presenting more information for your review on the March 28 meeting.

Commissioner Fiocco asked when the Interlocal Agreement would be established. Manager Gruesbeck estimated in November 2016.

Commissioner Bonitz stated he was relieved to know Preston Development agreed to pay for this using Capital Recovery fees upfront. He asked if it would be covered in the Developmental Agreement.

Attorney Messick said more than likely it will be a separate agreement. He said guarantee meaning different things to different people and he wants to make sure it is done right to the benefit of the Town.

There was discussion about the Goldston Contract with Sanford and Manager Gruesbeck stated Pittsboro's has more complex attachments than Goldston.

Chatham Park PDD Master Plan: Additional Elements – Preston Development reports that the Additional Elements will be submitted to the Town by the end of March or early April 2016. Staff will provide an overview of process for the Additional Elements to the Town Board of Commissioners during a subsequent meeting. The first Small Area Plans are anticipated by early May 2016.

Proposed Chatham Park Special Assessment District – Manager Gruesbeck said we spoke about this a little bit already. Preston Development presented information to the Chatham County Board of Commissioners on March 7, 2016 (Please see attached PowerPoint). The Chatham Board of Commissioners received the information and asked questions. There was no formal decision. Attached please find additional information sent to you earlier via Town Attorney Paul Messick. Also attached is a description of the Issue as discussed at the Legislative Breakfast on February 25, 2016. Please note that this attachment contains a red-lined "Article 9A –Special Assessments for Critical Infrastructure Needs" with proposed language edits.

Northside Water System Improvements – Town Staff and developers have been reviewing the engineering plans. Hydrostructures is reviewing the water pressure modeling on behalf of the Town in order to determine sufficient flow based on the design.

Salisbury Street Storm Drain Improvements – The drain replacement is complete. New

asphalt was patched around the structure in advance of paving Salisbury Street.

Engineering/Planning/Parks/Utilities Office Space – Move in is complete. The Town has arranged for repainting of the parking areas – particularly the handicapped spaces – as well as the asphalt speed bumps. The landlord has also committed to repairing the damaged areas the end of March.

Finance Director Replacement: I have scheduled and conducted interviews with two (2) candidates. The Finance Department is scheduled to interview the candidates during the week of March 7. He said hopefully he will be made a decision by the end of the week.

Planner II Hiring: An additional position was budgeted to accommodate an increased workload associated with development associated with Chatham Park and other developments. With the move to the new office in Chatham Mills complete we are ready to bring on a qualified planner. Staff has placed a “help wanted” advertisement in various publications, listserves, and the local newspaper. Applications and resumes will be accepted until April 1, 2016. Interviews are anticipated during the week of April 11, 2016. The successful candidate could start work in early/mid-May 2016.

FY 2016-2017 Annual Budget Process: Departmental Budgets have turned their budgets into him and he is going over their requests. The initial draft of the Budget will be submitted to the Board of Commissioners on May 9, 2016. This date allows for at least three (3) regularly scheduled meetings – May 23, June 13 and June 27 for discussion and approval. In the past, we have also scheduled additional meetings. We may consider the addition of one additional meeting in early/mid-June depending on the remainder of our agenda.

Mayor Perry said Manager Gruesbeck has proposed to have workshops in the context of regular meetings. Manager Gruesbeck said the Special Assessment Information tonight was kind of a workshop.

Mayor Perry referenced an email she sent out today about considering establishing committees so we can get more citizen input. We have a lot of qualified residents to work on committees.

Mayor Perry mentioned the Water Efficiency Ordinance and Policies which was included as a FYI item tonight. Engineer Royal said the item will be discussed at the March 28, 2016 meeting.

COMMISSIONER CONCERNS

None

FYI

1. Memo and Attachments: Water Efficiency Ordinance and Policies

ADJOURNMENT

Motion made by Commissioner Farrell seconded by Commissioner Baldwin to adjourn at 9:11 PM.

Vote Aye-5 Nay-0

Cindy S. Perry, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC
Town Clerk

DRAFT