

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
BUDGET WORKSESSION
MONDAY, MAY 21, 2012
7:00 PM

Mayor Voller called the worksession to order.

ATTENDANCE

Members present: Mayor Randolph Voller, Commissioner Pamela Baldwin, Jay Farrell, Michael Fiocco, Bett Wilson Foley and Beth Turner.

Staff present: Manager Bill Terry, Clerk Alice F. Lloyd, Attorney Paul S. Messick (9:07 p.m.), Chief David Collins, Mandy Cartrette (8:40 p.m.), Lt. Lesia McCollough, Planner Stuart Bass, Wastewater Superintendent Randy Heard, Utilities Director John Poteat, Assistant Planner Paul Horne and Water Treatment Superintendent Scott Jewell.

Manager Terry said he has a little road map laid out as a suggestion to the board. Of course you can change how you want to do it. His suggestion is to pick up where we ended last time. We had not gotten very far into the Capital Improvements Plan, next the budget had asked questions and he has tried to respond to them with budget working papers and then we have the cut/add list version of today.

Manager Terry said we had representative at the County Commissioners meeting that are going to call Commissioner Fiocco and himself when our agenda item comes up at their meeting (Mandy Cartrette and Becky Smith are representing the Town).

The Capital Improvement Plan is proposed as follows:

Capital Project Definition

Strategic planning and financial planning are interrelated when formulating a capital improvement plan. The Capital Improvement Program (CIP) is a multi-year plan for major capital expenditures related to the operations for the Town of Pittsboro. The CIP allows for the orderly replacement and rehabilitation of existing capital assets, in addition to the acquisition of new capital assets. The CIP also identifies proposed funding sources for each project. Items that may be included within the CIP are typically related to, but not limited to infrastructure, land purchases, construction of facilities, or other major improvements to the Town's assets. By providing a planned and prioritized schedule of public enhancements, the program outlines the present and future needs of Pittsboro as identified by the Town staff and approved by the Board of Commissioners. To qualify as a capital improvement, the project should typically have a cost greater than \$50,000 and a useful life of at least 10 years.

The CIP is a fluid document by nature, and as such should serve only as a reference document throughout the fiscal year. Funding plans for projects may change, as may the priorities of the Board of Commissioners.

Capital Improvement Funding

Funding for the CIP varies from one project to the next. Historically, the Town has relied heavily on the use of grant funds for capital expenditures. Additional options available to the Board of Commissioners include cash spending from budget or fund balance appropriations, installment financing, and bonding. In the case of the latter two, approval from the Local Government Commission (LGC) would be required. In the use of financing through either bonding or loans, future revenues would be examined in order to ensure the repayment.

CIP Contents

The CIP includes three schedules. The "5-Year Capital Improvements Summary" displays the projects by fund and total project cost by fiscal year. The "Existing Debt Schedule" displays the debt repayment schedule of the current debt. Finally, the "Financial Summary" is a summarized cash-flow analysis, displaying the five year estimates for all CIP projects and their source of funding. For projects that are financed, the summary displays the projected repayment schedule for anticipated projects or the actual repayment schedule for prior year projects.

Relationship to the Operating Budget

Items that appear within the CIP will have a corresponding fund within the Town of Pittsboro's chart of accounts after a project ordinance is passed by the Board of Commissioners. All corresponding grant activity and payments are accounted for within the project fund. Within schedule 3, transfers from the General Fund and Water & Sewer Fund appear. Current debt exists only within the Water & Sewer fund. As a result, the debt payments are accounted for within that fund's operating budget.

5-YEAR CAPITAL IMPROVEMENTS SUMMARY

Town of Pittsboro, NC

7/25/2012

CIP #	Project Name	Anticipated Funding Source	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Project Total	Department	Category
# 01	Downtown Water Improvements	G/L	1,450,000	\$48,350	\$48,350	\$48,350	\$48,350	\$ 1,643,400	Water Distribution	Infrastructure
# 02	Hillsboro Street Transmission Line	G/L	1,800,080	\$100,000	\$100,000	\$100,000	\$100,000	\$ 2,200,080	Water Distribution	Infrastructure
# 09	New 3.22 MGD Plant	B	2,000,000	39,000,000	3,417,000	3,348,400	3,280,000	\$ 51,045,400	WWTP	Buildings / Facilities
# 10	WTP Backup Generators	L	40,000	430,000				\$ 470,000	Water Treatment	Buildings / Facilities
# 11	Bldg Lease & Renovation	C	285,000	60,000	60,000	60,000	60,000	\$ 525,000	Police Dept	Buildings / Facilities
# 12	Old Graham Water Main Loop	G		1,250,000				\$ 1,250,000	Water Distribution	Infrastructure
# 18	Community House Improvements	C	15,000	65,000				\$ 80,000	Parks	Parks / Public Facilities
# 19	Park/Oakwood Dr. Culvert	C		158,000				\$ 158,000	Streets	Infrastructure
# 23	Elevated Water Tank	L			1,465,000			\$ 1,465,000	Water Distribution	Infrastructure
# 24	Fire Tower Trunk Line	K		1,325,000				\$ 1,325,000	Sewer Collection	Infrastructure
# 26	Annual Street Resurfacing	C	60,000	65,000	70,000	80,000	85,000	\$ 360,000	Streets	Infrastructure
# 28	Haw River Intake Improvement	C	20,000	345,000				\$ 365,000	Water Treatment	Infrastructure
# 29	Greenway System	C		45,000	45,000	45,000	45,000	\$ 180,000	Parks	Parks/ Public Facilities
# 30	Sidewalk Improvements	C	50,000	50,000	50,000	50,000	50,000	\$ 250,000	Public Works	Infrastructure
# 31	Backwash Pump Replacement	C	55,000					\$ 55,000	Water Treatment	Infrastructure
# 32	Paving Martin Luther King Drive	C	20,000					\$ 20,000	PW-Streets	Infrastructure

Funding

- Key:
- C - Cash / Fund Balance
 - G - Grants
 - B - Bond Financing
 - L - Loan
 - K - Combination

Manager Terry stated for Commissioners that have not been involved in this process before this is called the Capital Improvement Plan and is not the budget so when you see these alarmingly big numbers he wouldn't be too concerned about it because when you approve this plan you are just approving a plan. You aren't really approving any dollars with it until a specific capital project budget comes before the board to be funded. So what you do when you approve the plan is you generally agree that all of these are valid projects and you are agreeing that the timing that is represented in the schedule is something that you are comfortable with.

Manager Terry said #02 with the addition to the REDLG loan we are seeking a bank loan over five years for \$249,000 would be \$100,000 instead of the \$50,000 listed on the chart for FY 2013.

Mayor Voller talked about designing a request for proposals where someone comes in they build the new plant and we work out some type lease to own arrangement where they get the depreciation. Their payment is covered by us leasing it so they have an incentive to do this.

There was a discussion on all the items on the 5-Year Capital Improvements Summary.

Motion made by Commissioner Fiocco seconded by Commissioner Foley to take a five minute recess.

Motion made by Commissioner Baldwin seconded by Commissioner Foley to go back into the meeting.

Manager Terry went over the budget working papers he had sent to the Board.

BWP # 01-2012

TO: Mayor and Board of Commissioners
FROM: William G. Terry, Town Manager
SUBJECT: Impact of Proposed Tax Rate and Utility Rate Increases
DATE: April 27, 2012

The purpose of this paper is to provide the Board of Commissioners with some numerical and graphical data to help quantify the impact upon individual tax payers and utility customers of the tax rate and utility rate increases proposed in the FY 2012-2013 Manager's Recommended Budget.

The graph at Exhibit (A) shows the annual impact of a \$0.04 property tax increase on a range of property values from \$100,000 to \$500,000. The graph is based on the following table:

2011 Tax Levy	\$302	\$604	\$906	\$1,208	\$1,510
2012 Tax Levy	\$342	\$684	\$1,026	\$1,368	\$1,710
Amount of Increase	\$40	\$80	\$120	\$160	\$200
Home Value	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000
Percent Increase	13.2%	13.2%	13.2%	13.2%	13.2%

The graph at Exhibit (B) show the annual impact of the proposed utility rate increase on a range of water uses including 2,000 gallons per month, 5,000 gallons per month and 10,000 gallons per month. The graph is based on the following table:

2011 Rates	\$514	\$960	\$1,804
2012 Rates	\$594	\$1,067	\$1,987
Amount of Increase	\$80	\$107	\$183
Water Usage	2,000 gal/mo	5,000 gal/mo	10,000 gal/mo
Percent Increase	15.5%	11.1%	10.2%

The following are examples of potential impacts on individual home owners:

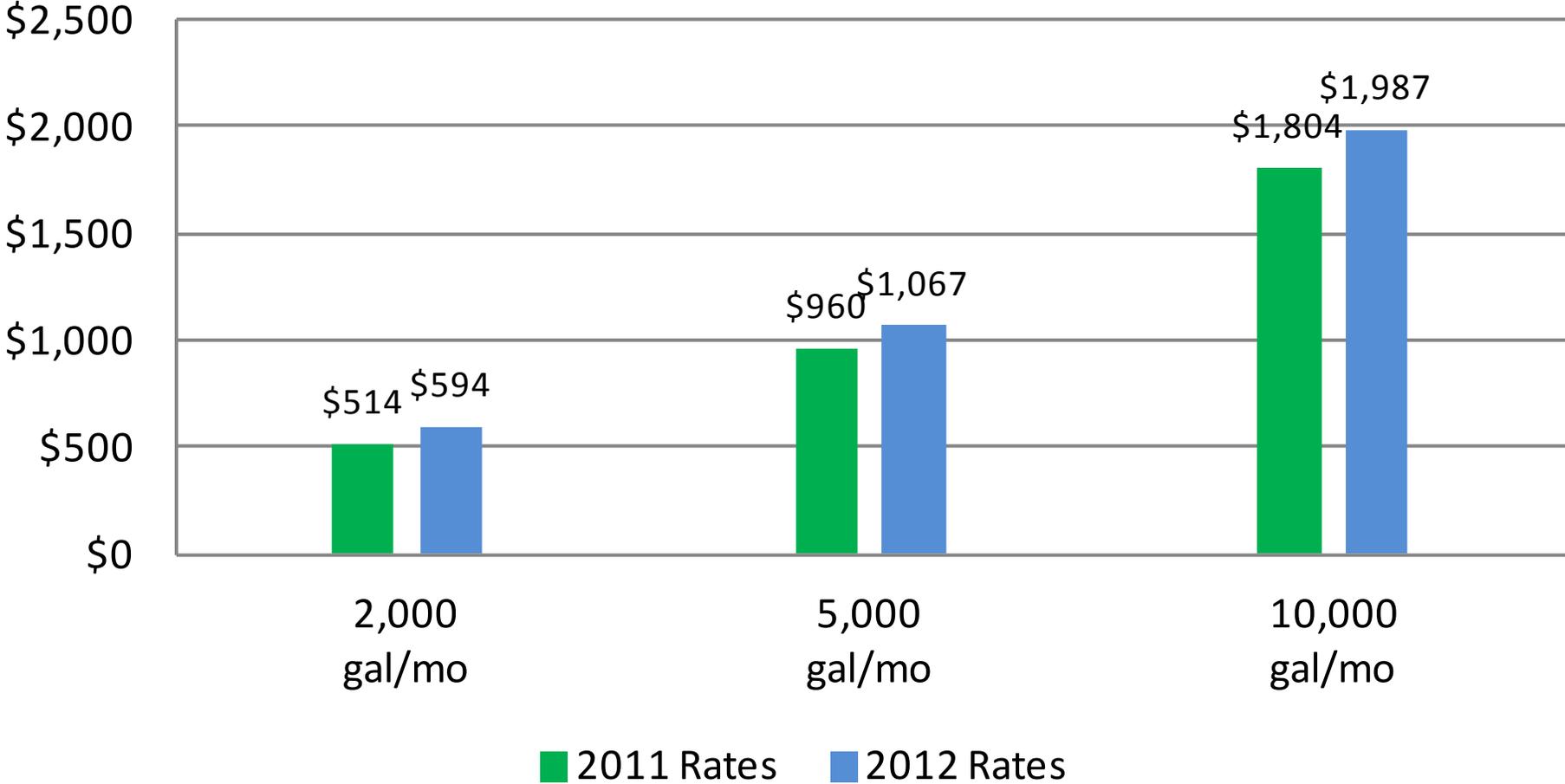
Sample Case # 1. A small family living in a \$100,000 home and using only 2,000 gallons of water per month would experience a \$40 increase in property taxes and an \$80 increase in their annual utility bills for a cumulative annual impact of \$120, or about \$10 per month.

Sample Case # 2. A medium sized family (4-5) living in a \$300,000 home and using 5,000 gallons of water per month would experience a \$120 increase in property taxes and an \$107 increase in their annual utility bills for a cumulative annual impact of \$227, or about \$18.92 per month.

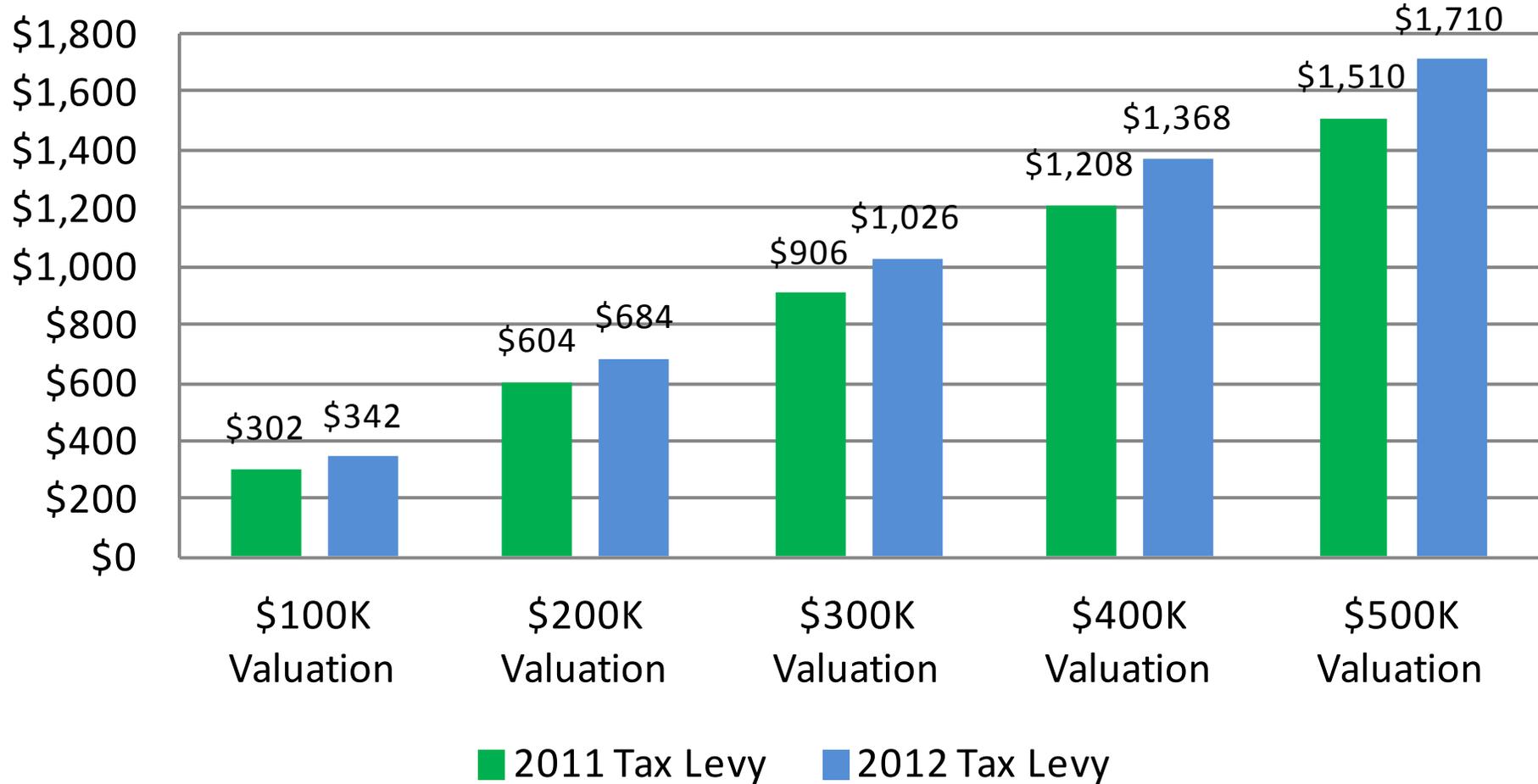
Sample Case # 3. A medium sized family (4-5) living in a \$500,000 home with a landscape irrigation system and using 10,000 gallons of water per month would experience a \$200 increase in property taxes and an \$183 increase in their annual utility bills for a cumulative annual impact of \$383, or about \$31.92 per month.

The samples above are not meant to be all-inclusive; rather, they provide some perspective on the range of possible impacts on individual families. We do have some customers with large families in small homes and we have some customers in large homes living alone. While every family situation is unique, the examples above should show an illustrative range of potential impacts of the proposed rate increases.

Annual Impact of Utility Rate Increase



Annual Impact of a \$0.04 Tax Increase



BWP # 02-2012

TO: Mayor and Board of Commissioners

FROM: William G. Terry, Town Manager

SUBJECT: Polices and Practices Regarding Development Review Fees

DATE: May 10, 2012

The purpose of this paper is to respond to Commissioner Fiocco's question regarding policies and practices for the collection of development review fees.

The Fiscal Year 2011-2012 Budget Ordinance establishes the fee schedule for various types of Planning Department reviews. An extract from the ordinance is attached as Exhibit (A).

A review of our records for the past year shows only two site plan reviews for new developments as follows:

Project	Plan Submission Date	Fee Paid by Developer/ Applicant	Fee Paid to Hydrostructures for Plan Review
Dasher Utility Line Extension	7/14/2011	\$300	\$1,200
Maple Leaf Construction	8/1/2011	\$300	\$845

In the two cases cited above, we only charged the applicant for a commercial site plan review of ½ acre or less. We referred the site plan to Hydrostructures for engineering plan reviews; however, we did not advise that applicant that there would be an additional fee for that review and we did not attempt to collect an additional fee for that review.

Mr. Bass and I have reviewed the rate schedule and we are working on improving procedures so that applicants are fully informed upon their first visit to the Planning Department of all of the fees that may become due and payable in the process of a development review.

C. Zoning, Site Plan Review, Petition for Annexation and Subdivision Application Fees

1. Zoning Application Fees

a. Zoning Compliance Certificate	\$ 50.00
b. Zoning Conformity/Compliance Letter	\$ 25.00
c. Rezoning	\$350.00
d. MUPD Rezoning (cost of technical review plus)	\$800.00
e. Special Use Permit (cost of technical review plus)	\$350.00
f. Conditional Use District Rezoning (cost of technical review plus)	\$350.00
g. Land Use Plan Amendment	\$350.00
h. Zone Text Amendment	\$375.00
i. Home Occupation Fee	\$ 25.00
j. Subdivision Regulation Amendment	\$375.00
k. Commercial Site Plan:	
➤ ½ acre or less	\$300.00
➤ ½ acre less than 1 acre	\$425.00
➤ over 1 acre or portion thereof	\$425.00/acre
l. Variance/Appeal	\$350.00
m. Petition for Annexation	\$375.00
n. Signs:	
➤ Temporary	\$ 50.00
➤ Free standing	\$100.00
➤ Wall sign	\$100.00
➤ Minor Modification (change of 25% or less to existing sign)	\$ 50.00
o. Flood plain Determination	
➤ With building permit	\$ 15.00
➤ Without building permit	\$ 25.00
➤ Non Residential – Free Standing	\$150.00
p. Petition to abandon street r-o-w	\$300.00

2. Zoning Inspection Fees

a. Engineering plan review	\$120.00/hr
b. Field inspection	\$100.00/hr

Note #1 – Site Plan Review must include Storm Water Control Plans in conformity with North Carolina Phase II Storm Water Regulations.

3. Subdivision Application Fees

a. Minor Subdivision (1 – 5 lots)	\$100.00/Lot
b. Major Subdivision –	
1. 6 to 10 lots	\$ 1,750.00
2. 11 to 20 lots	\$ 2,500.00
3. 21 to 30 lots	\$ 3,000.00
4. 31 to 40 lots	\$ 3,500.00
5. 41 or more lots	\$ 95.00/lot

- c. In addition, subdivisions involving municipal utilities will pay a fee of \$1.75/foot for inspection for each linear foot of water, wastewater and roadway construction. Fees associated with review and inspection must be paid to the Town at the time of submittal of construction plans. Plans will not be accepted until these fees are paid.
- d. Recreation fees in lieu of dedication \$1,000.00/lot

D. Storm Water Control Plan Review. \$100.00/acre of site or subdivision to be reviewed with a minimum of \$250.00 per application and a maximum limited to the Town’s cost for engineering review plus 10%. This fee shall be paid at preliminary site plan review or subdivision construction plan submittal.

BWP # 03-2012

TO: Mayor and Board of Commissioners
 FROM: William G. Terry, Town Manager
 SUBJECT: Regional Comparison of Board Compensation Rates
 DATE: May 9, 2012

The purpose of this paper is to provide the Board of Commissioners with a comparison of compensation rates for Boards of Commissioners and Planning Boards in neighboring cities and towns.

Compensation Plans for Town Boards

Municipality	Compensation Plan
Pittsboro	Annual stipend of \$2,100 for the Mayor and \$1,800 for Commissioners.
Apex	Mayor \$9,859 year & \$150 monthly stipend Council \$7,677 year & \$70 monthly stipend
Burlington	Mayor \$12.53 per hour Mayor Pro Tem \$9.06 per hour Commissioners \$8.36 per hour (All are paid for 19 hours per week)
Burnsville	Mayor \$4,377 yearly Commissioners \$2,994 yearly They all have access to medical insurance, vision and dental.
Carrboro	Mayor \$15,960 per year Commissioners \$7,988 per year

Carthage	Mayor: \$2,400 per year Mayor Pro Tem: \$1,800 per year Commissioners: \$1,200 per year
Fuquay-Varina	Mayor \$10,000 per year Commissioners \$7,500 per year
Hillsboro	Mayor \$7,200 per year Town Board \$5,400 per year
Morrisville	Mayor \$11,151 per year Commissioners \$9,400 per year (With benefits if they choose.)
Sanford	Mayor \$14,723.64 per year Commissioners \$10,497.72 per year
Siler City	Mayor \$8,047 per year Mayor Pro Tem \$5,111 per year Town Council \$4,567 per year

Compensation Plans for Municipal Planning Boards

Municipality	Compensation Plan
Pittsboro	Annual stipend of \$300 each Planning Board member.
Apex	None
Burlington	None
Carrboro	None
Carthage	None
Fuquay-Varina	None
Hillsboro	None
Morrisville	None
Sanford	\$25.00 per meeting
Siler City	\$10.00 per meeting

BWP # 05-2012

TO: Mayor and Board of Commissioners

FROM: William G. Terry, Town Manager

SUBJECT: Cost of Police Vehicle Take Home Policy

DATE: May 10, 2012

The purpose of this paper is to respond to Commissioners' questions regarding the estimated cost of the policy allowing police officers to take their patrol cars home.

The first table on page 2 shows the estimated annual fuel costs for officers commuting to and from work to be about \$20,000. The average cost per officer per year is about \$1,500 and the average cost per officer per month is about \$125.

Elimination of this privilege would save the Town about \$20,000 per year in fuel costs and about \$8,000 per year in reduced automotive maintenance costs for a total estimated cost avoidance of about \$28,000.

If the Town Board wishes to eliminate the police vehicle take home policy, I would recommend a special one-time 3.5% pay increase for the affected police officers to keep them whole with respect to annual compensation. This would cost about \$20,300 in total personnel expenses and would exclude the Police Chief and reserve officers. I would recommend that the Police Chief retain the privilege of a take home vehicle because this is a common perquisite to the position throughout the country. If the Board elects to take this option, the net cost avoidance for the Town would be about \$8,000 in the first year. This amount could increase if we were able to dispose of some of the older general purpose unassigned vehicles on the second table on page 2.

The subject of a broader fleet replacement program is beyond the scope of this paper; however, the vehicles highlighted in yellow on the charts are all beyond their useful service live and should be replaced or eliminated from the fleet as soon as possible. I would recommend replacing the three Crown Victoria's with smaller vehicles suitable to their mission and eliminating the 1990 Ford Bronco without a replacement.

Estimated Cost of the Police Vehicle Take Home Policy														
Name	Rank	Organization	Take-home Vehicle	Vehicle I.D. Number	Make	Model	Model Year	Mileage	Commute Distance One-way	Trips Per Month	Commute Miles Per Year	Vehicle MPG Estimate	Average Fuel Cost Per Gallon	Commute Fuel Cost per Year
David Collins	Chief of Police	Command Section	Yes	4036	Ford	Explorer	2007	55,800	2	20.5	984	16	\$3.80	\$234
Lesia McCollough	Lieutenant	Command Section	Yes	3603	Ford	Escape	2009	29,600	27	20.5	13,284	23	\$3.80	\$2,195
Kevin Dodson	Staff Sergeant	Traffic Program	Yes	5306	Ford	Mustang	2007	67,200	16	20.5	7,872	15	\$3.80	\$1,994
Anthony Rosser	Sergeant	Detective	Yes	6228	Ford	Explorer	2010	21,900	16	20.5	7,872	18	\$3.80	\$1,662
Edwin Swain	Sergeant	Patrol	Yes	4566	Ford	Crown Vic	2008	53,930	20	20.5	9,840	15	\$3.80	\$2,493
Marcus Houston	Sergeant	Patrol	Yes	2786	Ford	Crown Vic	2007	73,470	14	20.5	6,888	15	\$3.80	\$1,745
Troy Roberson	Corporal	Community Policing	No	3110	Ford	F-150 PU	2007	74,800	0	20.5	0	15	\$3.80	\$0
Brian Overman	Corporal	Patrol/K-9	Yes	3972	Ford	Explorer	2009	43770	1	20.5	492	15	\$3.80	\$125
Ben Hadley	Corporal	Patrol	Yes	2785	Ford	Crown Vic	2007	100,660	23	20.5	11,316	15	\$3.80	\$2,867
Youngblood	Officer	Patrol	Yes	4567	Ford	Crown Vic	2008	67,420	16	20.5	7,872	15	\$3.80	\$1,994
Travis Thomas	Officer	Patrol	Yes	8199	Ford	Crown Vic	2003	100,430	3	20.5	1,476	15	\$3.80	\$374
Lavon Barrett	Officer	Patrol	Yes	2784	Ford	Crown Vic	2007	87,070	24	20.5	11,808	15	\$3.80	\$2,991
Melissa Starr	Officer	Patrol	Yes	9306	Chevy	Impala	2009	34,200	12	20.5	5,904	23	\$3.80	\$975
Total Fuel Costs Per Year Attributable to Take-home Policy														\$19,649
Cost per officer per year														\$1,511
Cost per officer per month														\$126

Unassigned General Use Vehicles						
Vehicle I.D. Number	Make	Model	Model Year	Mileage	Current Usage	Comments
1437	Ford	E350	1992	60,250	Mobile Command Vehicle	No cost acquisition. Never replace.
54	Chevy	P30	1993	24,000	Special Event Support Van	No cost acquisition. Never replace.
9523	Polaris	Sportsman2004	2004	N/A	4-wheel ATV	Re-evaluate need at end of service life, about 2014.
3919	Ford	Bronco	1989	94,130	4- Wheel Drive Vehicle	Aquired from surplus. Retire without replacement.
7976	Ford	Crown Vic1999	1999	115,000	Town Manager Vehicle (Used by all Town Hall Administrative Staff)	This vehicle is beyond its service life and is unreliable. It should be replaced with a suitable administrative vehicle for Town Hall staff use.
9127	Ford	Bronco	1990	146,000	4- wheel Drive Vehicle	Aquired from surplus. Retire without replacement.
8570	Chevy	Blazer	1986	31,800	4- Wheel Drive Vehicle	Aquired from surplus. Retire without replacement.

The Board agreed to have another budget worksession at the May 29, 2012 meeting.

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to adjourn at 10:30 P.M.

Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk