

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
REGULAR MEETING
MONDAY, MAY 23, 2011
7:00 PM

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

ATTENDANCE

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

Staff: Town Manager Bill Terry, Town Clerk Alice F. Lloyd, Town Attorney Paul S. Messick, Finance Officer Mandy Cartrette, Planner Stuart Bass, Public Utilities Director John Poteat, Water Plant Superintendent Scott Jewell, Police Chief David Collins and Assistant Planner Paul Horne.

AGENDA

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

Vote Aye-5 Nay-0

CONSENT AGENDA

The Consent Agenda contains the following items:

1. Approve minutes of the April 30, 2011 work session.
2. Approve minutes of the May 3, 2011 budget work session.
3. Approve minutes of the May 9, 2011 regular meeting.
4. Certification of Sufficiency of Petition for Annexation from Bonnie Hackney Partin.

Mayor Voller said corrections to the minutes were made and placed at each Commissioners desk.

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

Vote Aye-5 Nay-0

CERTIFICATION OF SUFFICIENCY IS RECORDED IN THE BOOK OF RESOLUTIONS NUMBER ONE, PAGES 54-55

REGULAR MEETING AGENDA

Citizens Matters

Mayor Voller indicated that no one had signed up to speak.

PUBLIC HEARING

Motion made by Commissioner Brooks seconded by Commissioner Bryan to go into public hearing.

Vote Aye-5 Nay-0

1. Petition for Annexation A-2011-01, Partin.

Mr. Bass stated this proposed annexation was a voluntary annexation of 951A Thompson Street which was a single lot of 1.6 acres in size. He said currently it was zoned R-A and the current zoning would not change, and the use as single-family residential would not change. Mr. Bass stated this parcel was contiguous to the Corporate Limits on the western property boundary.

Mayor Voller said he assumed that the Town would be offering services to this property. Mr. Bass stated the owner wanted to hook up to the Town's water system.

Commissioner Fiocco said that water and sewer was available, and the survey indicated there was a water meter on the property so the physical connection was available. Mr. Bass responded yes, but not for sewer although sewer was in the roadway.

Mayor Voller asked what happened if someone could get water but sewer was not available. Mr. Messick said the sewer would be available on the same basis and at the rate as to any other property in Town. Mayor Voller asked what if someone requested a voluntary annexation but sewer was not available.

Commissioner Brooks said he believed that occurred with the development Mr. Anderson had built near Willow Springs when it was annexed.

Mayor Voller asked was he saying that could be waived. Mr. Messick said the Town had done that with the Quaille property. He said sewer would be available on the same basis as with any other property in Town, which meant if you wanted it you paid for it.

Motion made by Commissioner Bryan seconded by Commissioner Brooks to close the public hearing.

Vote Aye-5 Nay-0

OLD BUSINESS

1. Petition for Annexation A-2011-01, Partin.

Motion made by Commissioner Brooks seconded by Commissioner Harrington to approve the petition for annexation A-2011-01, Partin.

Vote Aye-5 Nay-0

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF PITTSBORO, NORTH CAROLINA IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGES 50-55

Mayor Voller said that given that they had a situation on Thompson Street on the north side, should the Town contact the property owners about voluntary annexation since having properties not annexed surrounded by properties that were annexed created an odd pattern. Mr. Bass said it would be involuntary annexation if the Town pursued annexation.

Commissioner Harrington asked if those not annexed were being charged the out-of-Town water rate. Mr. Bass replied yes. Commissioner Harrington said then they would have an incentive to request voluntary annexation.

Mayor Voller asked if the Board wanted to authorize Mr. Bass to contact those property owners to say the neighbor was being annexed and ask if they choose to be voluntarily annexed.

Commissioner Brooks said he had no problem with that but the Board should realize they would have more highway expense.

Mayor Voller said if the property was annexed the expense would be covered with Powell Bill funds.

Commissioner Harrington said he saw no reason not to send a letter and make the inquiry.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to request that the Town Planner contact residents along Thompson Street not now annexed regarding considering voluntary annexation into the Town limits.

Vote Aye-5 Nay-0

NEW BUSINESS

1. Revisions to the Development Moratorium Ordinance.

Commissioner Harrington stated they had discussed at some point that this would be infill, and asked with the Ordinance could they extend the sewer allocation out to 3,600 gallons. Mr. Messick said that was true. Commissioner Harrington said to clarify, they had also discussed

that this might only apply to things that required extension to the current sewer system, and that would be permitted within the Ordinance. Mr. Messick replied yes, but added it was not restricted to just that. He said it was only restricted to what would use 3,600 gallons or less.

Commissioner Fiocco said the most likely candidates were infill, because he did not believe that would be enough capacity to justify the investment of an extension.

Town Manager Bill Terry said if someone were to submit a site plan approval outside the city limits an approval of that could be upon their willingness to pay for an extension to get to the nearest water and sewer line.

Motion made by Commissioner Brooks seconded by Commissioner Harrington to approve the Ordinance amending the Moratorium on the approval of major subdivision planned unit developments and non-residential development of land in the Town and its ETJ.

Commissioner Fiocco said in the fourth “Whereas” paragraph in the last sentence, it seemed as though there was a thought missing and did not know if it was germane to the topic or necessary. After a brief discussion, Mr. Messick stated the language said should read “...pose a detrimental effect on the Town and...” rather than “...pose a detrimental effect on the ability of the Town...”

Commissioner Fiocco also pointed out that in the first “Whereas” paragraph, the date read “October 12, 2099” and it should read “October 12, 2009.”

The motion was amended to accept the two changes noted.

Vote Aye-5 Nay-0

AN ORDINANCE AMENDING THE MORATORIUM ON THE APPROVAL OF MAJOR SUBDIVISIONS, PLANNED UNIT DEVELOPMENTS, AND NON-RESIDENTIAL DEVELOPMENT OF LAND IN THE TOWN OF PITTSBORO AND ITS EXTRATERRITORIAL JURISDICTION AREA IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE PAGES 56-57

2. Budget Amendment for Revisions to the Cost Allocation Table for General Fund Administrative Support Services to the Enterprise Fund.

Mayor Voller noted that this issue had been discussed at last Monday’s meeting and the budget amendment was now before the Board for consideration.

Motion made by Commissioner Harrington seconded by Commissioner Baldwin to approve the budget amendment for revisions to the Cost Allocation Table for General Fund Administrative Support Services to the Enterprise Fund.

Mr. Terry stated that this budget amendment would take funds from the General Fund balance to balance the General Fund budget so that it could be moved to the Enterprise Fund.

Commissioner Brooks said basically what that was saying was that they would pay employees that were now being paid out of the Enterprise Fund out of General Revenue fund.

Mayor Voller said no, that was not what they were doing. He said they were currently charging services to the Enterprise Fund that were provided by the administrative budget, but the rate at which that was being charged was arbitrary. Mayor Voller said by adopting this budget amendment it would allow them to not raise the water and sewer rates for citizens and business owners which was the goal they had been trying to accomplish.

Mr. Terry said it was to somewhat soften the blow of the loss of the Townsend revenue.

Vote Aye-5 Nay-0

AN ORDINANCE AMENDING THE TOWN OF PITTSBORO 2010-2011 OPERATING BUDGET IS RECORDED IN THE BOOK OF ORDINANCES NUMBER ONE, PAGE 58

BUDGET WORK SESSION

1. Cut List and Add List.

Mr. Terry said that an updated Cut and Add List had been included in the packet that contained annotated decisions that had already been made by the Board. He said he wanted to make one point of clarification, in that the Hispanic Liaison for Chatham County had not made it onto the list, but it should be added to the Add List for consideration.

Commissioner Harrington said when they were making decisions on specific pumps that had specific effluent control he believed that Items 7 and 8 on the Add List and Item 5 on the Cut List were all useful and necessary Enterprise Fund capital improvements. He suggested those items be rolled together, and their savings in the Enterprise Fund should go to exactly those types of things.

Commissioner Harrington asked what the balance was in the Enterprise Fund. Mr. Terry responded right at \$2 million. Commissioner Harrington suggested that they fund Items 7 and 8 on the Add List as well as Item 5 on the Cut List for a total expenditure of about \$80,000 from the Enterprise Fund. He said that was a relatively small amount to come from that balance and it was infrastructure that was needed. Or, Commissioner Harrington said, they could just make the funds available until staff decided whether or not it was worthwhile to rebuild some of the pumps or something else. He said he would like to authorize that \$80,000 to be available for those capital improvements.

Mayor Voller stated he concurred with Commissioner Harrington, in that the Board had taken a stand to put as much investment as possible into Water and the Wastewater Treatment Plant and to provide the best quality of service possible.

Mr. Terry said for clarification on Item #8 on the Add List, Mr. Heard had said he believed that expense could be reduced from \$20,000 to \$10,000 by rebuilding the current clarifier drive.

Commissioner Harrington said his point was that the Board should not even be asking if the cost was \$10,000 or \$20,000; those expenses should be rolled together and \$80,000 would cover all three items. Mr. Terry said the action for Item #5 on the Cut List would be to remove it from the Cut List and allow it to remain in the budget. Commissioner Harrington stated that was correct.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to not cut Item #5 as noted on the Cut List from the budget.

Vote Aye-5 Nay-0

Commissioner Brooks said in the last two weeks the odor around Town was terrible, and it was not coming from the Townsend plant because he had gone by it to try to determine where the odor was emanating from. He said he had also gone to Camp Creek and the Wastewater Treatment Plant, and he had determined that the odor was coming from that Plant and it was awful. Public Utilities Director John Poteat stated that Mr. Heard was trying some different deodorizers as well as some other things to control the odor.

Commissioner Brooks said Mr. Heard had told him there was a machine that needed some repairs when he had visited the Plant on Friday. Mr. Poteat said that was the blower, he believed. Commissioner Brooks said it was possible to get covers for those sections that were emitting much of the odor, and asked was that correct. Mr. Poteat said not for the digesters. Commissioner Brooks said that something needed to be done, noting that many citizens had commented on it.

Mayor Voller asked what they would need to do to address the odor. Mr. Poteat said there were some things that they were working on, including raising the pH of the digester, changing deodorizers, and increasing the blower capacity.

Mayor Voller said with the variable speed drives, how much energy were they saving. Water Treatment Plant Superintendent Scott Jewell said he did not have any specifics to share. Mayor Voller said an energy audit was done last year at the Water Treatment Plant by Simon Lobell that looked specifically at the variable drives and other things. He asked Mr. Jewell to take a look at that report and determine what would save the most money.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to fund Items #7 and #8 on the Add List.

Commissioner Fiocco said for clarification, were the two raw water intake cleaners different from the desilting. Mr. Terry said it was the same thing. Commissioner Fiocco said in the past they had been carrying a number of \$30,000 for one cleaner. Mr. Terry said they had worked to determine what that service was truly worth and had gotten quotes which were a much better price. Commissioner Fiocco asked what about the last contract. Mr. Terry said the feedback he had gotten was that it basically got the job done. He said it may not be as thorough or reach out as far as the \$30,000 special cleaners, but it did the job they needed it to do.

Vote Aye-5 Nay-0

Mr. Terry said to clarify, the Board was approving the addition of \$71,000 for Items #7 and #8 on the Add List. The Board agreed by consensus.

Mayor Voller suggested they start at the top of the Add List and allow the Board to say yea or nay on each item.

Item #1 – Employee Compensation

Mr. Terry stated that his goal had always been to get all employees who were not law enforcement to the 5% 401(k) level that law enforcement officers received. He said if the Board had to pick between the 401(k) increase or salary increases, one of the arguments they should take into consideration in regards to the 401(k) was that it was less cash out of hand because no taxes were paid on those funds. He said it was a more economical way to increase compensation than direct salary increases where taxes would have to be paid including State retirement. Mr. Terry said if it got down to an either/or, he would suggest they lean towards the 401(k) increase.

Commissioner Brooks stated he would prefer not to do either of those options, but if they were to choose one he would go along with the 401(k) increase option. He said he would also like to see salaries frozen for one year.

Commissioner Fiocco said it had been lean and tough times and the Town was not just equipment and buildings and assets. He said he would like to do whatever possible to help their employees in these very difficult times, and therefore he would like to see the additional 401(k) contribution approved but not the wage increase.

Commissioner Harrington agreed, stating it was hard to lose experienced people and this was one of the things to help counter that.

Commissioner Brooks said in 23 years the Board had raised salaries every year except for one, and in one of those years they had delayed until January to put the raise into effect. He said that was a record to be proud of.

Mayor Voller agreed that was true, but in that 23 years they had never raised the Board allocation. He stated he was not suggesting the Board raise its salary; he was suggesting that they should benchmark themselves with Siler City.

Commissioner Bryan said that increasing the 401(k) contribution was one way to increase salaries.

Mayor Voller agreed, noting it would increase their retirement funds.

Motion made by Commissioner Fiocco seconded by Commissioner Harrington to approve the suggested increase in 401(k) contributions at 2.5% for all non-law enforcement personnel, and to revisit salary increases at the appropriate time during the fiscal year.

Mr. Terry said he believed that made perfect sense because they were in the middle of a market study and that report would be in hand before the fiscal year was over. He said they would have the input from the Human Resources Consultant to consider when the Board wanted to take this topic up again.

Commissioner Brooks said he would vote in favor of the motion, but asked what the mechanics were. He asked were they agreeing to look at this again in January or were they leaving it open ended. Mr. Terry said he would provide a mid-year report for the Board's consideration on revenues and expenses. He said that report could be presented in January, and if the Board choose to increase salaries it could be retroactive to the first week in January.

Commissioner Brooks said that 2% or 1% or 5% when you were not making much to begin with was not a whole lot. He said when you were making \$50,000, \$60,000, \$70,000 or more that did make a difference. Commissioner Brooks said his point was that if they had hard times and could not increase salaries much at all, perhaps they could look at helping employees on the lowest salary range and excluding those employees at the top.

Commissioner Harrington asked when they expected the market study to be completed. Mr. Terry said they may receive it by the end of June.

Commissioner Brooks said surely they would not try to readjust the budget that quickly as far as wages.

Mayor Voller replied no, because they would have to know where they stood and that would be mid-year as Mr. Terry had said.

Vote Aye-5 Nay-0

Mayor Voller said at some point they would need to have some kind of incentive program to reward people who worked hard and innovated for the Town and to train people that needed to be lifted up.

Item #2 – Town Engineer

Mayor Voller stated that they had funded this position last year but had not actually hired someone. Mr. Terry said he had brought this to the Board because for the last three years it had been initiated by a Board member, adding that he absolutely believed it was a position that the Town needed. He said if staffing was to match their goals for the Town then the Town Engineer was a critical position to help them reach their goals.

Commissioner Brooks suggested that they just not do it this year.

Commissioner Fiocco said there was at least one thing pressing down on them right now that had begun a six-month timeline regarding the Jordan Lake rules. He said at the end those rules were minimums, but at the end of the day they could evaluate it to see how it could best be crafted to serve the needs of Pittsboro and not to just adopt a template.

Commissioner Brooks said he had full confidence they could achieve that without a Town Engineer.

Commissioner Fiocco asked Planner Stuart Bass if he had anything to add in terms of what it might cost if they contracted engineering services to perform the study as well as implement the program. Mr. Bass replied he did not have any hard figures. He said in looking at the requirements it appeared there were two stages, with the first that they had to submit the program or the format that those things would happen by September, and the second stage was the implementation in 2012. Mr. Bass said the program itself was very significant and would demand a lot of work and the requirements noted that it would require a certified engineer or some other person who had taken the appropriate courses. He said at such time that there was actual development here, they would need to contract out that work or hire someone in-house.

Commissioner Fiocco said that would be specifically for new development Mr. Bass said yes.

Commissioner Brooks said that Chatham County land bordered the Jordan Lake watershed with about 40,000 plus acres that was not under water. He said the County had an engineer in David Hughes that the Town was familiar with and it might be that something could be worked out that the Town provide some additional funds to use his expertise.

Commissioner Harrington said they would need to have their own ordinance policy by September.

Commissioner Fiocco said that was correct.

Commissioner Brooks said but the Town had been provided with a model to go by.

Commissioner Fiocco said they had received the model, but was not sure what level of work had been done on that.

Commissioner Brooks said he believed there had been some discussion in the Legislature that they were considering modifying that model since there had been a change in make-up of the Legislature and it had been very unpopular with some of the counties such as Alamance, Guilford and others.

Commissioner Harrington said if they were to hire someone it would be two months before they could get someone on board.

Commissioner Fiocco said he saw it as a bigger picture and could appreciate the amount of money they were talking about and whether or not this was the exact perfect time to hire a Town Engineer.

Commissioner Harrington said just as an example when they had had a problem they had done what they could to ask the right questions about their modifications at the Wastewater Treatment Plant and whether they had the right pumps and the like. He said that losing the Townsend

funding was a huge loss, but it was a good example of why it would be beneficial to have an Engineer on staff to keep up with what was happening at the Plant with the pumps and all the other issues they dealt with.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to postpone making a decision to hire a Town Engineer for one fiscal year.

Commissioner Fiocco asked to make a friendly amendment to postpone the review of the potential to hire a Town Engineer until January, 2012.

Commissioner Brooks refused the friendly amendment.

Mr. Terry said another possibility would be to revisit it if they were successful in attracting the County as a serious water customer.

Commissioner Harrington said he believed saying they would not revisit the issue for a year was bothersome to him because some issue may come up that would convince the Board that they really needed to move on hiring a Town Engineer.

Commissioner Bryan stated regardless of this motion, the Board could change its mind at any time. Mr. Messick stated that was true, in that the Board could adopt another motion that would reverse that decision, but if they did that they would then have to identify the funding.

Mr. Terry said he did not think the Board was handcuffing itself in any way, and if they were to get the County as a water customer the Board might want to reverse itself and look at the issue at that time.

Commissioner Harrington as long as there was nothing binding then he would agree, because they just could not fund that position at present.

Commissioner Brooks said he would modify his motion to not hire a Town Engineer at this time and to remove the timeframe. Commissioner Bryan agreed to that modification.

Vote Aye-4 Nay-1 (Commissioner Fiocco)

Item #3 - Planning Department Office Space Lease

Mayor Voller said since they had delayed any action on Item #2 he wondered why they would need to consider looking for space. Mr. Terry said with or without a Town Engineer, they were overcrowded with files piled to the ceiling in some cases. He said they were having issues with archiving their records and the Finance Officer was in a space that barely allowed her to perform her duties. Mr. Terry said he had proposed that they move the Planning Department out of the building into a leased space.

Mayor Voller said perhaps they should rephrase this request as putting aside funding for future office expansion that could be brought back to the Board when that space was necessary. Mr.

Terry stated his proposal was to do that immediately in that the need was already great. He said an alternative was that there was a project in the CIP which was in an out year that considered acquiring additional property to move the Police Department which would free up space in this building. He said at this point their evidence storage room was not up to standards which was co-located with the main breaker and utility equipment. Mr. Terry said it made for uncomfortable conditions whenever equipment maintenance or repair was performed because a Police Officer had to be present at all times because of the evidence in that room.

Mayor Voller asked if this request would address the space needs for the year. Mr. Terry said that Item #3 really would not help the Police Department that much. He said an ideal space for the Police Department was the old Post Office building near the Gunn and Messick law offices. Mr. Terry said it had a parking lot in back and was centrally located in the Town, and it would allow for an increased Police presence in the downtown. He said at some point they would need to consider that.

Commissioner Brooks asked could that building be rented for the \$24,000 estimated on the Add List. Mr. Terry said he had not yet consulted with the owner about that, so he would need to get a specific quote. He said he believed they would want to have a long-term commitment if they decided to rent the space.

Motion made by Commissioner Harrington to approve funding for Item #3 with it to come back to the Board for a decision on whether or not to use the funds to lease additional space and what department would move into that space should the Board decide to move forward with a lease.

Commissioner Fiocco said he would like to know what type of square footage that building would offer. He said it made more sense for the Police Department to be outside of Town Hall than for Planning and Engineering, and the space requirements for the Police Department were clearly more significant. So, he said, the \$24,000 estimate may not be adequate.

Commissioner Brooks suggested they put some money into that goal but not be in a rush to rent just one facility. He said they could look around and see what else was available and then the Board could decide how to move forward.

Commissioner Harrington agreed, noting that the \$24,000 was a place holder because it may be that to acquire adequate space the cost might be more.

Mr. Terry said in looking at the CIP on page 41, item #11, he had estimated that the annual lease cost for a building the size of the old Post Office would be about \$60,000 a year. But, he said, if they were to purchase the building outright it may result in a savings.

Mayor Voller asked if he knew what the purchase price of the building might be. Mr. Terry said he had not pursued that. Mayor Voller said if the Town purchased a building for \$500,000 with a 30-year note at 4% interest, it would cost them \$2,387 per month principal and interest. He said if they took that to \$2,500 a month, they would be able to cover that.

Commissioner Harrington said they needed to go ahead and see what was available, noting his motion was to have that information come back for further discussion. Motion seconded by Commissioner Brooks.

Vote Aye-5 Nay-0

Mr. Terry said then it was his understanding that no funds would be budgeted at this time, and he would be coming back to the Board with information on what was available, the square footages, and the estimated costs.

Mayor Voller stated the remaining items on the Add List had already been resolved.

Cut List

Item #1 - Police Car Replacement

Commissioner Brooks said he believed there was some discussion about purchasing a new car, but believed they had also discussed that they may be able to acquire a really good used vehicle instead. Police Chief David Collins stated there was a Chevrolet Malibu that would fit their needs and would be half the price, and there were a variety of other used cars that would meet their needs as well. He added it would cost about \$3,000 to outfit the vehicle for Police needs.

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to obtain a used vehicle not to exceed \$20,000.

Mayor Voller asked would that vehicle be equipped with cameras and/or computers. Chief Collins said whatever vehicle they acquired they would make it work.

Mr. Terry recommended that if the Board would allocate \$30,000 in the budget, he and the Chief would do the best job possible to obtain an economical used car and outfit it for less than \$30,000, and try to get it under \$25,000.

Commissioner Bryan asked why \$30,000. Mr. Terry said the \$40,000 was for a Crown Victoria which was a very large car, and they could go to State contract and purchase a new Chevy Impala that was a Police model that had heavy duty suspension and heavy duty alternators that would support lights, sirens, and other equipment. He said they could perhaps even acquire a Tahoe that was a Police model. Mr. Terry said the issue here was that the Chevy Malibu did not carry an electrical system that was designed as a Police vehicle so it did not have the supporting electrical system or suspension that would serve their purposes. He said that \$30,000 would allow them to go to State contract and acquire a vehicle that was smaller than a Crown Vic but was set up as a Police vehicle and outfit it as necessary. Mr. Terry stated if they did not find what they needed they could go to the used car market and see what was available.

Commissioner Brooks stated his motion was for \$20,000 including the camera, and he would stand by that motion.

Commissioner Fiocco stated he had seconded the motion and would agree that it should stand.

Commissioner Baldwin said she stood by what she had said initially. She said they had the car that was purchased for the K-9 and an SUV. Mr. Terry stated that was a older vehicle and was a spare. Commissioner Baldwin said perhaps that one could be put into use and the K-9 vehicle turned over to another officer.

Commissioner Harrington asked was he hearing that they had some extra vehicles that were not being used. Chief Collins stated that they were all being used for one purpose or another.

Mr. Terry said he was not sure what condition those older vehicles were in. He said they had two older Blazers with many miles on them. Chief Collins said those were used extensively in the winter on bad roads so they could lessen potential damage to other Police vehicles, so if those were wrecked it was not a big loss.

Commissioner Bryan asked what had happened to the two vehicles where they were going to switch transmissions or make one good vehicle out of the two. Mr. Terry said that had been accomplished, in that they had switch rear ends and other parts and had sold the worst one at auction.

Commissioner Bryan asked who had done that work. Mr. Terry said he had called in a favor from the Chapel Hill Town garage and they had performed the repairs.

Vote Aye-4 Nay-1 (Commissioner Baldwin)

Item #2 – Employee Compensation Options

Mr. Terry said the Board had resolved that issue earlier tonight and he would be bringing it back with a mid-year report in January.

Item #3 – Compact Pick up Truck – Public Utility Maintenance

Mr. Terry stated this vehicle had been on the Add List for a couple of years, and was an older vehicle with no paint on the hood so it was easily recognizable. He said the \$15,000 was priced to purchase a used vehicle to replace the current vehicle.

Commissioner Fiocco asked had they identified a vehicle for \$15,000. Mr. Terry said he had done some research to get quotes for local dealers, but believed they would get a better deal from Car Max or a similar vendor. He said he had found a couple of vehicles he believed would be suitable with low mileage.

Commissioner Harrington said he would certainly encourage him to check around with local dealerships before a purchase was made.

Commissioner Brooks said it was his understanding that fines and forfeited bonds were supposed to go to schools; however, that had not happened for about eight years under the various State governors. He asked was there some exception such as when the Police seized money or

vehicles in drug raids, in that those were sold and the money used for drug enforcement. Chief Collins said it was suppose to be that way. Commissioner Brooks asked who could purchase those vehicles. Chief Collins replied anyone could. Commissioner Brooks said he would imagine that some of them were likely outfitted to be powerful vehicles and asked had he ever looked into purchasing such a vehicle. Chief Collins said not to his knowledge, but it was something they could look at.

Mr. Terry said they could make some inquiries regarding seized vehicles.

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to replace the compact pick-up truck with a used vehicle from a local dealer that was competitive, or from Car Max or some other vendor if a local dealer could not provide an adequate vehicle at a cost not to exceed \$15,000.

Vote Aye-5 Nay-0

Item #4 – Pittsboro Express Bus Service

Commissioner Brooks said before they discussed bus service, he had asked the Finance Officer to provide a breakdown of what the Town spent for fuel by department. He said it was his understanding that the sales tax they paid was refunded, but he would still like to see what that expense was for a three or six month period. Ms. Cartrette said she would likely be able to provide that information by the end of the week.

Mayor Voller asked had Ms. Cartrette had time to get the information together on exempt properties. Ms. Cartrette stated not as yet, but she could put that information together along with the fuel breakdown and distribute it to the Board all at once.

Motion made by Commissioner Fiocco seconded by Commissioner Baldwin to include bus service in the budget at the reduced amount of \$15,000.

Commissioner Harrington said he would vote no to this because after hearing all of the information he believed they should move to two buses instead of three. He offered a friendly amendment to lower that amount to \$12,000.

Commissioner Fiocco asked would it be more palatable if they said that \$3,000 of the \$15,000 was for marketing exclusively. He said he believed there had been a poor job done of marketing the service and believed through marketing they could increase ridership, and ridership was key to the efficiency of the dollars spent on the service.

Commissioner Harrington said the Board had heard that Chapel Hill Transit still had \$8,000 available for marketing that had never been spent.

Commissioner Fiocco said he believed what had happened was that the Town had made a contribution and Chapel Hill Transit had spent it how they saw fit, and the Board had continually asked them to better market the service.

Commissioner Harrington said there had been discussion about Chapel Hill Transit contracting with Chatham Transit to provide a part of the service, but he would prefer to support Chatham Transit directly rather than going through Chapel Hill Transit.

Commissioner Fiocco stated he would accept the friendly amendment to reduce the amount to \$12,000.

Commissioner Brooks said they had had some difficulty tracking the ridership, and asked how they would track the marketing.

Mayor Voller said at this point they were requesting that Chapel Hill Transit use the funds already in hand for marketing to promote the service, which was \$8,000 and was a part of the original agreement. He said Pittsboro was just one of the partners and was in fact the smallest partner.

Commissioner Brooks said he still wondered how they would go about tracking the marketing.

Commissioner Harrington said that had been one of his concerns as well, because Chapel Hill Transit had a budget for marketing that they were not utilizing and the Town had no control over that.

Vote Aye-3 Nay-2 (Commissioners Brooks and Bryan)

Item #5 – Wastewater Treatment Plant Capital Facility Improvement

Mr. Terry noted that this item had been resolved earlier in the meeting.

Other

Mayor Voller stated that all of the items on the Add List and Cut List had now been resolved in some manner, and asked were there any other items that needed to be discussed that had not been included on the lists.

Community House

Commissioner Harrington said he would like to have a policy that stated that Community House revenue would be set aside and earmarked for Community House rehabilitation and renovation. Assistant Planner Paul Horne stated he saw no issue with that. Commissioner Harrington said there was continuous projects and rehab needed on the Community House and this would provide a source of funding to get those projects accomplished. He said he did not know if that would be a policy statement or would require a motion from the Board, but he would recommend moving forward with that.

Mr. Terry said he would like to ask Ms. Cartrette how to accomplish that, because it may be necessary to account for those funds separately as they did such things as the Powell Bill and the like. He said at present that money came in as miscellaneous revenue and was placed in the

General Fund, so there would be some separate bookkeeping required to keep track of those funds.

Ms. Cartrette said they would need to set up a separate tracking system so that the funds could be earmarked for the Community House only.

Commissioner Harrington asked what the revenue was last year from the Community House. Ms. Cartrette responded around \$6,000, but she did not remember exactly.

Commissioner Brooks said to make it easier, they could just earmark \$6,000 to be used for rehab or repairs to the Community House, which would make the bookkeeping much easier.

Commissioner Harrington said he believed that would serve the same purpose. Town Clerk Alice Lloyd asked if the Board intended that expenses for the Community House would come from that same pot of money, such as utility bills. Commissioner Harrington stated that was a very good question, and he believed the Community House should be self-supporting and whatever was left over after expenses would be dedicated to the Community House improvements.

Mr. Horne said that the Community House had been approved as a project in the past CIP.

Commissioner Harrington said to clarify that CIP projects was more of a wish list because they had never funded it. He said this would be a way to actually fund that.

Commissioner Brooks stated this was a practical way to make a start, and they could always add to it if it became necessary.

Commissioner Bryan asked what the expenses were that would need to come out of that \$6,000. Ms. Cartrette said she did not know offhand.

Mayor Voller asked that she bring that information back to the Board. Mr. Terry said they had a Capital Reserve General fund and a Capital Reserve Enterprise Fund, and they could create a Capital Reserve Recreation Fund and put the revenue from the Community House in that account.

Commissioner Brooks stated it should be Capital Reserve Community House Fund so that it remained separate. He said he believed all they needed to do was pick a figure.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to set aside \$5,000 beginning with the upcoming budget year to be placed in a Capital Reserve Community House Fund.

Vote Aye-5 Nay-0

Commissioner Fiocco said the point was not only to appropriate funds but to invest in the Community House building itself.

Commissioner Bryan said it would allow them to build up some funds to do what was needed to improve the building.

Commissioner Brooks said he did believe that if they could improve the building then more people would rent it which would in turn increase the revenues.

Hispanic Liaison

Mayor Voller stated he believed everyone had received the request Mr. Terry had included for a Hispanic Liaison to Chatham County. He said it appeared they were requesting \$6,000 from the Town annually to support that liaison. Mr. Terry said he had not yet had the opportunity to study the proposal in depth or even whether it was an appropriate municipal function or not.

Commissioner Bryan asked why not just bring it back once they had time to digest the information. Mr. Terry said it appeared at first glance to be something that was more appropriate for the County to handle. He said one of their missions was a youth leadership gang prevention program, and the most logical place he would see to put that would be in the Community Policing program.

Commissioner Brooks said in a tight year he would say to leave it out. He said many of the buildings in Pittsboro, like Social Services, Recreation and others that contributed to many citizens of many different backgrounds they were unable to tax, so the Town was already making a serious contribution to the County that they really received no credit for.

Mayor Voller asked if the Board would be open to bringing this back at some point so that the group could be invited to make a presentation to the Board. The Board agreed by consensus.

Commissioner Harrington said that even if the Board decided not to act on this after the presentation they would still learn something. He said there were so many good organizations in the County that they could invite to do the same thing just for the Board's education.

Mayor Voller said he believed this group had a specific mission that would actually help cut costs in terms of working with the Police Department, because they supported the mission of gang prevention.

2. Finalize Discussion of Tax Rate and Utility Rates.

Mr. Terry stated that this was the zero increase option for water rates, and believed he had found an administrative error made last year and wanted the Board's guidance on how to correct it. He said historically they had always had the out-of-Town rates as double the in-Town rates, and for whatever reason last year they had ended up with \$10 in-Town and \$18 out-of-Town rather than \$20 for water, and \$11 in-Town and \$20 out-of-Town instead of \$22 for sewer. Mr. Terry said he would like to just change that to make it \$10 and \$20, and \$11 and \$22, which would generate about another \$4,000.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to authorize Mr. Terry to make the correction to the water and sewer rates as described.

Vote Aye-5 Nay-0

Commissioner Brooks said he understood that the Finance Officer had discovered they had not been billing Northwood High School for out-of-Town use for the last three years.

Motion made by Commissioner Brooks seconded by Commissioner Bryan to determine how much Northwood High School should have paid over the last three years and bill them for what they had not been billed for over that three-year period.

Commissioner Harrington said it concerned him because they were a school and the Schools were facing a \$5 million deficit.

Commissioner Brooks said that was understood, but there was \$22 million plus of property in Pittsboro that they could not tax. And, he said, they could not touch the nonprofits and they were plentiful, using Habitat as an example. Commissioner Brooks said even if what Northwood owed was a very small amount, they should still pay their bills.

Vote Aye-4 Nay-1 (Commissioner Harrington)

Mayor Voller asked that Mr. Terry once he determined what the amount was to inform the Board off-line. Mr. Terry said it would be easy to calculate, because it would be the amount they had paid times two.

Motion made by Commissioner Harrington seconded by Commissioner Brooks to reduce the reconnect fee from \$50.00 to \$20.00.

Mr. Terry said he believed the logic behind that fee was that someone had to physically drive to the location to shut off the meter and would have to return to turn it back on. Mr. Poteat noted that if that turn-on was done after hours then the employee would have to come from home and would be receiving two hours of overtime pay to do that.

Commissioner Harrington asked why they would be doing that in the evenings. Mr. Poteat stated the cut-off time was at 5 p.m. and sometimes they had to come back to cut the water back on after hours.

Commissioner Bryan said he would assume that many times people would be away at work during the day would not even be aware that the water had been shut off until they arrived home. Mr. Terry said that frequently was the case.

Commissioner Harrington amended his motion to reduce the reconnect fee from \$50.00 to \$25.00. Commissioner Brooks accepted the amendment.

Vote Aye-5 Nay-0

Mr. Terry stated that the fee for after-hours service had been \$100 and the daytime service was \$50.00, and for clarification he asked were they cutting the after-hours service to \$50.00 along with the daytime service reconnect to \$25.00.

Mayor Voller said he had never heard of that \$100 after-hours service fee. Mr. Terry stated it was noted in the budget ordinance each year.

After a brief discussion, the Board agreed by consensus to allow the \$100 fee to stand since it did require an employee to report after hours and the customer could elect to wait until office hours and pay the lower fee.

Commissioner Harrington said he had raised the issue because people were wondering if the Board would fund a car or not, if they would fund cameras or not, or if they were going to fund a pump or not. He said it seemed that some of those items should be rolled into dollar amounts and packaged. Commissioner Harrington said he was not really asking for a response, but it did appear that it would be more efficient to bundle some of the items and then an amount be provided to the Board that they would determine they would or would not support.

Commissioner Brooks said at one time they had an agreement with Phillips Motor Company that was a Ford dealership out of Carthage, North Carolina to purchase vehicles at cheaper rates, and the purchase of vehicles were on a staggered schedule. He said that dealership even had the equipment to put logos on vehicles, and asked why that sort of the agreement was no longer viable.

Commissioner Harrington said as Pittsboro grew they would not be able to look at every issue in great detail, so his comments were just his observation and may be for future boards to consider.

Commissioner Fiocco said on page 7, Section VI.C, Zoning and Site Plan Review and Application Fees, it had MUPD rezoning and said the cost of technical review plus. He asked was that plus the \$800, so that they were charging applicants for the cost of the technical review plus the \$800. Mr. Terry said he believed that was correct. Commissioner Fiocco said he would suggest that that would be appropriate for the following two categories, Special Use Permits and Conditional District Use Rezoning to carry that charge as well, because essentially it was required that a site plan be submitted with those.

Motion made by Commissioner Fiocco seconded by Commissioner Brooks to add to items IV.C.1.e and f on page 7 under Zoning Application Fees to include the cost of the technical review plus the \$800 fee.

Vote Aye-5 Nay-0

Commissioner Bryan said his only concern was that he had been somewhat confused by the Mayor's suggestion in regards to the Enterprise Fund. He said he had looked back at the Fund Balance over the last three or four years since he had been a member of the Board and they seemed to be going down which was particularly concerning. Commissioner Bryan said he knew they had had to cover some expenses out of the Enterprise Fund, and they would again

have to take money from that Fund Balance to make the budget work. He said he was sure everyone understood that, but he had wanted to highlight it. Commissioner Bryan said his fear was that eventually that fund would be carrying a deficit. Mr. Terry said that the Town had had very conservative fiscal policies for years and years and they had accumulated a very nice Fund Balance. He said he had given them the push they needed in hard times to use what was necessary while still maintaining a nice Fund Balance that was likely much higher than many other communities. Mr. Terry said the law required a balance of 8%, and when he had first arrived it was at 110%. He said it had been going down every year and it was now at about 80%, but they had also accomplished much. Mr. Terry said of course dipping into their Fund Balance every year was not a sustainable practice and believed everyone understood that, but on the other hand that was exactly what it was there for which was a rainy day fund for tough times and they certainly had been in tough times recently.

Commissioner Brooks said he appreciated his fellow Board members, in that they had worked hard and done a good job. He said all of them would like to get some things that they had not been able to afford, but they had also gotten some things that they wanted. Commissioner Brooks said if it was legal he would like to see them move forward and vote on the budget tonight and be done with it.

Mayor Voller asked was that possible. Mr. Terry said he did not have a document ready this evening for the Board to vote on, noting he would need to bring forward a budget ordinance with all of the changes authorized this evening for the Board to consider for adoption.

Commissioner Brooks asked were they all in agreement that they had made all the decisions necessary and when Mr. Terry brought back the budget ordinance that they would not make any further changes.

Commissioners Harrington and Bryan agreed. Commissioner Fiocco said it was his intention not to change it. Commissioner Baldwin agreed as well.

Mr. Terry said it may be hard to believe, but he believed they were finished with the budget.

Mayor Voller said he wanted to make a couple of comments in response to what Commissioner Bryan had said. He asked Ms. Cartrette if she knew what the percentage of Fund Balance was now. Ms. Cartrette said she did not know, especially with the funds that had now been taken out of that balance. She said she certainly would not recommend allowing the balance to sink to 8% which was what was legally required.

Mayor Voller said that the County used 20% as their guide, and he believed they were holding at 27.5% at present. He said the Town had been as high as 110%, and asked Mr. Terry where he believed they were now, roughly. Mr. Terry said for the General Fund the rough figure was above 85% and closer to 90%, and for the Enterprise Fund it was likely around 70%.

Mayor Voller said even with all the capital investments they had been making over the last two years they were still at 70% or above, which was more than three times higher than the County.

Commissioner Brooks stated that was a very good percentage and was almost nine times more than what the State required, so they were in great shape.

Mayor Voller agreed they were in great shape.

Commissioner Fiocco said they had great percentages for the big investment they had been making.

Mayor Voller said they had made significant investments in their Water Treatment Plant, the distribution system, and the Wastewater Treatment Plant over the last four budget cycles totaling millions of dollars. He said he would remind the Board that first, they had not raised water and sewer rates, because if they had decided to do that it would have hurt people in Pittsboro so they had made tough choices in order to make that work.

Commissioner Brooks added they had not raised the property tax and still found money to do some good things.

Mayor Voller said they could only do so much when they had lost a major water customer in Townsend. He said they had to maintain that policy and continue to make the Town attractive in order to attract citizen and businesses.

Mayor Voller said in a previous budget cycle they had gone rate neutral instead of revenue neutral. Mr. Terry stated that was correct. Mayor Voller said they had been able to lower the tax rate by four cents but it was levied over more property so they had collected the same amount of revenue. He said there had been growth, but because they were revenue neutral they had effectively lowered everyone's taxes. Mayor Voller said they had tried everything possible in tough times to keep the water and sewer rates down, but the Board must know that they could not sustain that going forward. He said they would come to a point that unless they grew their tax base enough they were going to have to make some changes.

Commissioner Harrington said revenue neutral would have collected revenue based on projected growth. Without that growth it would have been a substantial tax increase.

Commissioner Brooks stated with the County revaluation his property taxes had gone up, so people were paying more taxes.

Commissioner Bryan said he understood that the Board was doing everything possible.

Commissioner Brooks said he believed the Town needed to do whatever it took to bring the County on board as a water customer, even if it meant investing some funds at the outset for repairs to the box estimated at \$15,000. But, he said, if the County was not going to become a customer then the Town should not do the repairs. The Board agreed by consensus.

3. Summary of Final Changes.

Mayor Voller confirmed that the Board was satisfied with the decisions made and that Mr. Terry was free to bring back a budget ordinance for adoption.

Mayor Voller suggested that at some point future Boards should consider benchmarking what they allowed to the Board members based on their sister city, Siler City, which was bigger, and if they were lowering what they allocated to their board then Pittsboro could follow suit, and if they raised the allocation then Pittsboro should do the same. He said if you looked at the Town's percentage of population to Siler City in terms of what was allocated to the Board, they were actually far lower. Mayor Voller said that allocation had not been raised in over 24 years, so he believed that future Boards needed to consider benchmarking with Siler City.

Mayor Updates

Mayor Voller said he had to bring a list from the RPO to the Board's next meeting regarding the STIP Plan.

Commissioner Fiocco asked would that allow enough time for the RPO to consider the Town's request. Mayor Voller responded yes, noting the Board would meet on June 13, 2011 and the RPO did not meet until later that week.

Commissioner Concerns

Commissioner Harrington said a couple of meetings ago he had raised concerns about trash cans on Sanford Road. Mr. Bass said he had had several conversations with Waste Management, who had indicated they would address the issue. He said he was expecting contact sometime this week for an update. Mr. Bass said his contact had said that he had talked with the business owner and would be contacting him again.

Commissioner Harrington asked when Waste Industries' contact would begin. Mr. Terry replied on July 1, 2011. Commissioner Harrington said then it did not sound as if they had a lot of leverage with Waste Management. Mr. Terry said in this case he was not sure they had any to begin with because this was a commercial recycling issue and it was not a part of the Town's contract. He said they were trying to encourage the business to be a better neighbor, noting that others on that same street were told to put their recycling containers on the street, and it was difficult to tell this business owner not to put his recycling on the street.

Commissioner Fiocco said but the idea was that you put your trash out in front of your property. Mr. Terry said both of the people there were tenants of the same property owner, which was Mr. Justice's property. He said it was basically an argument amongst neighbors and they did not have a lot of leverage to do something about it.

Commissioner Harrington said then it was not trash bins, it was recycling bins. Mr. Terry said it was a trash bin used as a recycling bin. Commissioner Harrington said when the contract began with Waste Industries, the same situation would exist in that they would have no leverage. Mr. Terry stated they still would have no control over the commercial recycling aspect.

Commissioner Baldwin asked if those bins could be put in the back of the business, or had they said they did not want to do that. Mr. Bass said he had not spoken directly to the tenant but had been working through Waste Management.

Commissioner Brooks asked that staff talk with the tenant to try and reach a solution to the issue. Commissioner Baldwin agreed that was logical to do that.

Commissioner Harrington said this was a little different situation because it was a business that was placing their bin close to the street.

Mayor Voller said it made no sense to drag the bin to the street when it could be kept in the back. He said it seemed to him they should require the hauler to go around to the back. Mr. Terry said he believed they had a case where one neighbor was making the other neighbor angry.

Commissioner Brooks said at least making direct contact with the tenant would be a first step.

Commissioner Harrington said the big thing was not to let this drop.

Commissioner Fiocco requested that they have Melissa from the County to present her transportation/bicycle plan on the agenda for the June 13, 2011 meeting. He said he believed she had expected to present that tonight but she had been skipped over.

Commissioner Bryan asked who does the landscape work at Powell Place. He said it did not appear to be Town staff but he was not sure. Mr. Terry stated that the Powell Place Homeowners Association had a contract to have the area around the entryway sign and other areas maintained with trash pickup and mowing.

Mr. Horne said he believed the amount was \$4,800 year to pick up trash and cut grass for the year.

Commissioner Brooks said he would like to thank DOT staff for the work on 15-501, noting they had done a wonderful job. He suggested that the Board send them a thank you note for the great job done on the roads, for helping them for the sidewalk project on 87, and for their quick action on the pedestrian crossing at Chatham Market Place.

Commissioner Fiocco said he agreed wholeheartedly. The Board agreed by consensus.

Commissioner Brooks said on Friday morning about 7 o'clock he received a call from Mr. Ralph Foushee, a local business person he had known for a very long time, adding he did not want Mr. Foushee to have any problems with this issue. He said Mr. Foushee was working on Southern Park under his contract and he was very concerned that the grades would be too high for the walking trails. Commissioner Brooks said he had talked with Mr. Terry about that and believed they were going to have to come up with some extra funds to fix that situation. He said Mr. Foushee seemed to think that the survey had been done using aerial surveys and the slopes were going to be more than the maximum 5% allowed.

Commissioner Fiocco said that the walking trails had to be accessible and to do that the slopes could be no more than 5%.

Commissioner Brooks said Mr. Foushee was concerned that he would do the work and then the Town would not be satisfied with the outcome and want it done over. So, he said, he wanted to make sure that the issue was addressed before they got too far along.

Mayor Voller said he believed what Mr. Foushee was talking about was that the vertical curves were too steep.

Mr. Terry said those issues should not be taken to the Town but should be taken to the general contractor who was responsible for the project. He said then the general contractor would have to work with the landscape architect to address the issue. Mr. Terry said he had visited the site and the contractor had not been aware that there was a problem. He said the contractor had mentioned that there had been an issue prior to that in that the surveyor was behind in staking the trails. Mr. Terry said but, he believed the problem was now resolved.

Commissioner Brooks asked did anyone hear the rumor that Mr. Blackwelder was requesting a fence. Mr. Terry said Mr. Blackwelder was requesting a screen but it was not clear to him how much area of his property he wanted screened. He said he had 1,200 feet of frontage and he would have to do some research on what kind of cost that might carry. Commissioner Brooks said then that would be an additional cost that could not come from the grant. Mr. Terry said he was sure it could not be paid for by the grant. Commissioner Brooks said he thought they had taken the Mayor's suggestion and had backed off a significant distance from Mr. Blackwelder's property line for the trails. Mr. Terry said they had been concerned about the bicycle trails but he did not believe that would make it into the project for Phase 1, but there was already 95 feet of woods between the trails and Mr. Blackwelder's property. Commissioner Brooks said he was glad to hear that.

RECESS

Motion made by Commissioner Fiocco seconded by Commissioner Harrington to take a brief recess.

Vote Aye-5 Nay-0

RECONVENE

Motion made by Commissioner Brooks seconded by Commissioner Fiocco to return to open session.

Vote Aye-5 Nay-0

FYI -

1. Town Manager's letter of May 4, 2011; RE: Reclaimed Water Conjunctive Systems Application

CLOSED SESSION

- 1. Closed Session pursuant to GS 143-318.11(a) (3) to receive information or discussions with an attorney under the attorney-client privilege.**

Motion made by Commissioner Brooks seconded by Commissioner Bryan to go into closed session at 9:38 p.m.

RECONVENE OPEN SESSION

Motion made by Commissioner Harrington seconded by Commissioner Baldwin to return to open session.

Vote Aye-5 Nay-0

ADJOURN

Motion made by Commissioner Brooks seconded by Commissioner Baldwin to adjourn the meeting at 10:20 p.m.

Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, Town Clerk