

TOWN OF SILER CITY

The Siler City Town Board of Commissioners met in regular session on **Monday, April 2, 2012** at 7:00 p.m. in the City Hall Courtroom with Mayor Charles Johnson presiding. The invocation was given by Mayor Johnson after the recitation of the Pledge of Allegiance. A motion to approve the minutes from the March 19, 2012 regular meeting was made by Commissioner Siler, seconded by Commissioner Adams and unanimously approved. Commissioner Adams made a motion to approve the closed session minutes from the March 19, 2012 meeting which were unanimously approved upon a second by Commissioner Siler

COMMISSIONERS PRESENT: Sam Adams, Cindy Bray, Larry Cheek, Michael Constantino, John Grimes, Thomas K. Price, III and Tony Siler.

TOWN STAFF PRESENT: Town Manager Joel J. Brower, Town Attorney William Morgan, Planning Director Jack Meadows, Police Chief Gary Tyson, Finance Director Tammy Speicher, Recreation Director Donald Dones and Town Clerk Karen Alman.

POOL MANAGEMENT PROPOSALS: Brower advised that Recreation Director Dones received one proposal which was from Carolina Pool Management. Dones stated they have operated the Siler City Pool for the past several years and have done an excellent job. They submitted two different proposals, Proposal A in the amount of \$29,700 to operate the pool from June 8 thru August 26 and closing on Mondays with hours of operation from 1:00 p.m. to 6:00 p.m. Tuesday thru Sunday. Proposal B was in the amount of \$32,600 with the same scheduled opening and closing but keeping the pool open seven days per week. Proposal A in the amount of \$29,700 is \$2,000 more than last year due to the fact school is starting later and the pool will be open an extra week. It was pointed out that Carolina Pool Management supplies the needed chemicals and winterizing of the pool as well as routine supplies. Admission to the pool will remain at \$2.00 per person. Mayor ProTem Grimes moved to approve Proposal A in the amount of \$29,700 with the pool open Tuesday thru Sunday, seconded by Commissioner Siler and unanimously carried. *(Schedule 14-A)*

ANNUAL SPRING CLEANUP CAMPAIGN: Brower explained the Town's Annual Spring Cleanup Campaign will run in conjunction with the NCDOT's Litter Sweep. The Town's cleanup campaign will begin on Monday, April 16th on the west-side of the railroad tracks and continue on the east-side of the railroad tracks beginning Monday, April 23rd. Information on the cleanup has gone out in a newsletter in citizens' water bills. A motion to endorse the Spring Cleanup Campaign was made by Commissioner Adams and unanimously carried upon a second by Commissioner Cheek.

LICENSE PLATE AGENCY: Brower announced the opening and ribbon cutting for the Siler City License Plate Agency. He thanked Town staff for helping accomplish this project. The LPA will open on Tuesday, April 3rd at 9:00 a.m. with the ribbon cutting at 10:00 a.m.

STREET SIGNAGE RECOGNITION PROPOSAL: Brower stated that Commissioner Adams has contacted him regarding installing signage that would honor the Jordan Matthews Girls Basketball Team recognizing them as State 2-A Basketball Champions. He contacted Nick Fields with the NCDOT Sign Division who indicated he would need a letter of request from the Board advising which roads they would like to see these signs placed. After receiving the request, he would be able to give the Town a cost estimate. Planning Director Jack Meadows explained to the Board that one of the STEP projects is to upgrade "welcoming" signage on Highway 64 to include the branding logo for the Town and recognizing this team could possibly be part of that effort. He is waiting on the branding package from Arnett Muldrow which should arrive soon. Since Highway 64 is highly traveled, the STEP Team felt signs on the west and east sides of Highway 64 would be the best places for these proposed signs. Meadows noted that the cost is approximately \$500.00 per sign. Tag lines for this recognition request could be added below the "welcoming signs". Commissioner Adams pointed out he did not want to wait for the new signs to be put up through the STEP program and advised the signs he has seen for honoring ball teams, etc. are very simple signs. Commissioner Constantino mentioned the possibility of going ahead with the team recognition sign with the ability to remove it from the old signs and place on the new signs when completed. There was discussion regarding the length of time this tag line sign can be left up with Meadows stating that if the sign is dated, there is a three year limit. Board members also discussed the language for the signs. Commissioner Price made a motion to move forward with the letter of request and pricing, seconded by Commissioner Constantino and unanimously carried. *(Schedule 14-B)*

BUSINESS PRIVILEGE LICENSE DISCUSSION: Finance Director Tammy Speicher provided various scenarios requested by Board members at the previous meeting. These scenarios included differing maximums with differing rates per thousand and the revenue projection for each one. Another scenario provided was a base unregulated license set at \$50.00 for those that are not regulated by State Statute and another example of this same scenario adding a fourth category of "service establishment". Speicher had a rate comparison with privilege license versus Ad Valorem Tax showing that an increase in property tax would cost more than an increase in privilege license fees. Commissioner Bray commented on an example showing a business paying \$90.00 in 2010 and the increase to \$2,948.00 in 2011 stating she can understand why these businesses would be upset. Commissioner Cheek advised he thinks the information provided by Speicher is helpful and believes the Board needs to at least consider lowering the \$.65/thousand to \$.50/thousand and pointed out a couple of scenarios he felt would keep the revenues close to what is in the current Town budget. Bray stated she does not agree with any of the scenarios and feels all of them are "too much for these businesses". Mayor Johnson opened the floor for the two manufacturer and wholesale business owners in the audience to speak.

Harold Hart, Hart Furniture: Hart stated he was in the wholesale business and that a lot of his merchandise is not even seen by Siler City. Businesses are employing people and collecting sales tax and noted that the increase in privilege license fees from 2010 to 2011 was too much at one time. He asked the Board to be fair across the board.

Barry Milholen, Basic Machinery: Milholen stated his business "had gone south" commenting his business had to cut 30% across the board - laying people off and cutting costs wherever possible. He asked what the Town is doing to cut costs? By increasing costs, the Town will run businesses away instead of attract them.

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Commissioner Cheek advised that the Town is trying to cut costs wherever possible. There have been 9 employees that have retired or resigned without replacing them. Cheek pointed out that these business license fees have not been looked at in 34 years stating that towns all around Siler City were charging these fees. He noted it was time to put a more up-to-date system in place and they are trying to do it in the fairest way possible. Milholen stated he was very appreciative to the Town for the extension of their sewer system. He pointed out they have now had to go in to "survival mode" and redirect their company. Mayor ProTem Grimes stated that Siler City has been a cheaper place to live than surrounding areas for many years and after looking at other communities' business license fees found out that Siler City fees were much lower. He pointed out that businesses were not coming here when the fees were lower; however, they were going to some of the surrounding towns that had much higher fees than Siler City. The Town has been seeking businesses with the help of the EDC. There have been some positives in the last few months with a couple of additional businesses and expansion of others. These are not huge job opportunities, but every job counts. Brower advised that the big box stores (retailers) in surrounding communities were paying the gross receipts fees but not in Siler City. Milholen did point out that his company has diversified and has now started to pick-up business and he hopes that means a growth in his business so they can begin adding jobs. Commissioner Price stated that the Town Board has some difficult decisions to make because of the closing of Pilgrim's Pride several years ago and now the closing of Townsends, Inc. He asked Hart and Milholen which they would prefer - an increase in property tax or the privilege license tax? Milholen stated he felt the Country Club needed to be annexed and Hart suggested assessing sales tax feeling this was the fairest tax because everyone pays it; however, it was pointed out that the County receives this tax. Commissioner Cheek stated there is a possibility the Town will have to raise water rates, increase taxes, etc. He also understands that businesses are hurting, but he also pointed out that Town citizens are hurting economically as well. The Board is trying to figure out how to get the businesses involved so that citizens and businesses are sharing these costs. Grimes reiterated he feels that retailers should pay fees based on the total retail sales. Commissioner Bray stated she feels a graduated rate may be the best option. Speicher noted that Burlington has the tiered system with the higher rate being paid on the lower tier. She also pointed out that if fees are figured on the \$1,000 everyone's sales are divided by \$1,000 and multiplied by the set rate in which everyone is "treated exactly the same" noting that most towns are "going away from the tag fees and the tiers". Commissioner Adams stated that the Board heard from the local retailers that they were being treated unfairly because the other businesses were "not hit like them". He feels the Board made a mistake last year in that they should have advised the businesses that a new ordinance was going to be put in place and allow them to budget for these increased fees. Several Commissioners would like to eliminate the unfairness and spread across the board. He asked the owners of the businesses that were present if "a \$100.00 per month in your business create undue problems by capping the fee at \$1,250 to wholesalers and manufacturers? Will that make you or break you as far as privilege license goes"? Milholen stated, "it will not make us or break us but it is the fact that this is money that will come out of someone else's pocket in my business". He again pointed out manufacturing jobs are "the lifeblood. If you don't have those, you don't have retail". Adams added that this source of revenue is viable to the Town, especially if things do not turn around. He understands that increasing water rates will hurt the average citizen in Siler City stating that "every town is charged with the responsibility of finding revenues in every area they can, not with the intention of hurting anybody but to continue to provide the core services". Brower advised the Town Board that it is time for the Finance Office to begin sending letters to businesses in order to gather information regarding the business licenses to determine the fees and hoped the Board would soon be able to make a decision allowing the Finance Office to move forward with the process. Grimes would like to get recommendations from the Town staff as to what would help them in the budget and advise the Board what rates would work and what rates would not. Brower responded that the Town staff will be trying to "hold the line". Commissioner Bray asked how many vehicles employees were driving to and from work, excluding the police department? Brower advised that six vehicles were being driven home in 1977 when he began his career and that the Town now has nine vehicles being driven home. It was pointed out that most of the vehicles are provided for on-call service employees. Bray felt the Town could save monies by paying mileage instead of providing vehicles which require insurance, upkeep, purchasing gas, etc. asking if there was a log they filled out every day such as the NCDOT is required to do? Brower replied no, but there is a monthly gas report that shows mileage and gas used by each vehicle and would show anything out of line. Board members receive this report on a monthly basis. Other Commissioners felt that if employees were not allowed to drive these vehicles home, it would cut the service level to citizens. Bray commented that she would like for everything to be looked at in saving and cutting the budget instead of just "looking at what you want to look at". She stated the vehicles could be sold for revenue. Mayor Johnson advised that coming up with more and more scenarios was becoming confusing and would like to see the Board make a decision. Commissioner Adams made a motion to approve "Scenario 2030" provided under Study 1 that states: \$15.00 for the first \$20,000 and then \$.50/thousand with a maximum fee of \$1,250.00 for wholesalers and manufacturers and no maximum for retailers. This would provide projected revenues in the amount of \$107,114. Commissioner Constantino seconded the motion with Commissioners Adams, Constantino, Cheek, Grimes and Siler voting "for" and Commissioners Bray and Price voting "against". Price agreed that something needed to be done, but this scenario is not his preferred choice. (Schedule 14-C)

ARTS INCUBATOR MEETING BETWEEN CHATHAM COUNTY COMMISSIONERS AND TOWN BOARD

COMMISSIONERS: Mayor Johnson reminded Board members of the joint meeting called by the Chatham County Board of Commissioners on April 12, 2012 at 2:00 p.m. to discuss the Arts Incubator. The meeting will take place at Siler City Town Hall. Commissioner Adams mentioned that resources does not necessarily mean monies and feels it is very important that members from the Arts Incubator and their Board of Directors be at this meeting to answer questions.

LETTERS FROM MIDDLE SCHOOL KIDS: Commissioner Constantino reported he and Mayor Johnson were addressed by Chatham Middle School students recently and expressed how impressed he was with their directness and good ideas. He read an excerpt from one of the letters.

With no further business, the meeting adjourned at 8:45 p.m.

ATTEST:


Karen C. Alman, Town Clerk


Charles J. Johnson, Mayor