

SILER CITY TOWN BOARD

The Siler City Town Board of Commissioners held a Workshop Session on Monday, February 20, 2012 at 7:00 p.m. in the conference room of City Hall with Mayor Charles J. Johnson presiding. The purpose of the meeting was discussion on privilege licenses. Commissioner Price gave the invocation before the start of the meeting.

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

TOWN STAFF PRESENT: Town Manager Joel J. Brower, Town Attorney William Morgan, Finance Director Tammy Speicher, and Town Clerk Karen Alman.

Mayor Johnson explained that a workshop is for "strategic planning and strategic visions". Johnson asked Town Manager Brower to comment on the Town budget. He stated with the loss of Townsend and no buyer as of yet, the Town will probably have a shortfall of \$1,000,000 this fiscal year and \$1,500,000 for FY 2012/2013. There are several options to address this shortfall one of which is to refinance the reservoir loan with BB&T which will require approval from the Local Government Commission. Other options are costs saving efforts within the Town operation and some level of rate adjustment. Brower pointed out that the reservoir makes up about \$1.2 million of debt service along with additional debt service which preceded the reservoir to include a loan for water lines and the completion of the Water Plant. He added he felt this budget process will be the most challenging of his career. The General Fund will probably have a shortfall of \$150,000 due to the fact that the Enterprise Fund will not be able to transfer the \$150,000 to the General Fund that was projected. In response to a question from Mayor ProTem Grimes, Brower stated Fund Balance totals approximately \$6,000,000. The League of Municipalities encourages a minimum of 8% of a Town's budget in Fund Balance with Siler City having about 30%. As the auditors pointed out at the last meeting, Siler City has done a good job with their Fund Balance that will now help out in these lean economic times. There was a question if the Town of Liberty is still interested in purchasing water from Siler City with Brower stating that plans are still preliminary.

PRIVILEGE LICENSE FEES: It was mentioned at the beginning of the discussion that the City of Sanford had repealed their privilege license tax, however, their tax rate is \$.09 higher than Siler City's and they have a \$.13 "overlay district tax" in the downtown as well. Finance Director Tammy Speicher handed out a sheet showing different rate tables for the collection of privilege license fees and the monies it would generate for the Town. She pointed out that the trend most towns are using is to move away from the different "tag fees" unless it is set by General Statute. The total privilege license tax collected in FY 10/11 was about \$17,000 and after the implementation of the new schedule, the Town has collected \$101,743 in FY 11/12 showing an increase of approximately \$84,000. Mayor ProTem Grimes asked what the tax increase on citizens would need to be to raise this much revenue with Brower responding approximately \$.03. Commissioner Cheek reiterated his stance that the Board made a good decision regarding the privilege license fees but agreed there might be room for some minor changes. He does not want to see the burden go to the citizens. Commissioner Adams suggested running a scenario where all businesses (except those set by General Statute) pay a \$50.00 minimum and then add the gross receipts. Commissioner Price advised he has spoken with the League of Municipalities after learning that an effort is being made in the legislature to make privilege license tax uniform in every town in North Carolina to take away the confusion. Brower added he has received an e-mail from the NCLM encouraging towns and cities to contact their legislators to oppose this as this is a way for the State to reduce revenues from municipalities possibly for themselves. Commissioner Price stated he feels the Town should not do anything to hurt businesses and does not want to see the privilege license fees be open-ended and that the fees charged last year were a surprise to businesses and increased too much at one time. Adams felt the Town would have done better if the new fees had been added in stages allowing business to budget for the increase; however, Cheek pointed out the fees had not been looked at in 34 years noting the Town waited too long to address this issue. Businesses in towns around Siler City have been paying these larger fees for years. Commissioner Bray added she did not think it was fair to compare Siler City to Greensboro as they have so many more businesses and people. Grimes stated that a lot of businesses have closed and many people out of work in Greensboro as well. Commissioner Constantino mentioned the importance of educating the public about matters of the Town and making sure the media is properly informed so they can help get the message out. The responsibility of the media is to report Town issues educating the public and not commenting negatively or spreading rumors. He wants the Town to do a better job to make sure citizens know what "we are doing, why we're doing it and how it is going to be done". It was mentioned that one of the businesses in town whose privilege license fee was increased stated that she did not mind paying the fee because the businesses had had it good for many years. Mayor ProTem Grimes pointed out that those in the business community, including himself, "have had our food brought to us and put on the plate for so long that we still expect the food to be brought and put on the plate and eat it and then all of a sudden somebody says you are going to have to go get some food and buy it yourself". He also pointed out the Town buys equipment for the fire department to fight fires and also police protection noting he does not mind paying a little more in privilege license fees to make sure the Town has the proper equipment needed for safety matters for both citizens and businesses. Commissioner Adams asked how the Town could get the word out with several Commissioners responding the radio station and newspaper, but Adams stated that "the newspaper cannot spend every sheet of its paper and every hour on the radio explaining Town issues". Citizens are encouraged to come to Town Board meetings with the Board establishing a public comment session during the second meeting of the month and very few attend. Commissioner Cheek reminded Board members that Brower and Speicher invited all members of the business community to come into City Hall to discuss the privilege license fees if they had questions. Constantino suggested a Town Hall meeting to explain major issues and allow citizens to voice their concerns. Adams mentioned sending out a letter to everyone that a change will affect telling them at what Board meeting it will be discussed and that they need to come to the meeting. Price commented that just as consumers want to find the best value, businesses will compare the "best value" of where to locate a business, etc. and the Town does not want to price themselves out of businesses wanting to locate in Siler City. Commissioner Adams stated the "bottom line" is that the Town needs the \$101,000 generated by the privilege licenses and if the Board agrees to lower them, where will the Town make-up the remaining revenue. Mayor Johnson felt it was important to let citizens and businesses know what services are available because of taxes. Price brought out that the City of Charlotte has tiered ranges with caps and would like to see some scenarios using this type structure. Discussion ensued regarding how sales have decreased for local businesses because of the economy and this too will affect gross receipts in that businesses will not pay as much meaning less revenues for the Town. Price will meet with Finance Director Speicher to work out some of these scenarios and bring them to the next meeting so that a decision can be made in order for Speicher to have time to get the information out to the businesses. Speicher handed out the City of Durham's privilege license schedule which she stated is probably the best

**TOWN BOARD MINUTES
FEBRUARY 20, 2012 MEETING
PAGE TWO**

researched and well written privilege license system in the state for the Commissioners to review before the next meeting. She will also run scenarios using Durham's approach. (*Schedule 11-A*)

USE OF RESERVOIR FOR FISHING/RECREATION: Brower reminded Board members that he had spoken with the NC Wildlife Resources Commission in May of 2011 regarding what type of assistance they may be able to give the Town towards this project. The first thing that has to be determined is access to the reservoir – at the Upper Reservoir where an access will need to be negotiated or the Lower Reservoir where land will need to be purchased for access. The Board will need to decide what type of facilities they need for fishing such as providing restrooms, picnic tables, piers, boat ramps, etc. As the Town did not have the resources which the NCWRC were looking for in order to help with the costs of these amenities, the discussion stopped. Brower pointed out that the reservoirs were built as a water supply for the Town and not for recreation. There is also a safety concern. This project will involve developing a plan and will cost money that the Town does not have at this point. Most agreed that the best access would be at the “old wildlife access” at the Upper Reservoir that was used years ago. Brower clarified that property owners around the lake in the 1930's actually owned the property to the center of the river. The assumption that the Town is granting fishing rights to those who live around the reservoirs in reality is continuing the rights to the river that the land has had with it all the time. Adams stated that the Town had rights to it years ago noting that he fished in those waters years ago and that it was opened to anyone. Brower pointed out that it could still be that way today; however, there are now so many rules and regulations as it is a source of drinking water and also the safety issues. It was pointed out that there have been clubs that have rented boats many years ago. Brower stated a gentleman living in a house near the reservoir took care of renting the boats; however, beginning in the 1980's the public started to become a nuisance and the gentleman stopped renting the boats. At that time, the Town put up a gate to keep the public out in response to the wishes of the property owner. In response to a question from Mayor Johnson, Brower stated the request to use the reservoir for recreation purposes would be handled through the NC Department of Environmental Resources which will require a public hearing. Constantino asked if the Wildlife Commission would staff or manage the facility with Brower answering no. The burden of funding this project would fall to the taxpayers of Siler City. Brower advised the procedure to proceed with this project would be to investigate, during the budget process, how much money it will take to hire a consultant to develop a plan for the facility.

SOCCER/FUTSAL PARKS: Mayor Johnson advised he has been approached regarding the need for soccer areas. Brower mentioned the Town had been working with Paul Cuadros regarding futsal courts and has a place at Bray Park to construct them; however, Cuadros has informed the Town he was not successful in securing grant funds for the project. He is now trying to get grant funds through another foundation. While the futsal court is not a “soccer park” it would enhance the soccer program. Adams would like to see Paul Braxton field considered as it is more centrally located and kids could walk to this field. Constantino added he met with Mr. Cuadros who stated the fields at Bray Park are used by adult soccer teams on week-ends and Cuadros does not have anywhere to work with the junior high age kids. Adams asked if the recreation department had a futsal court at Braxton field could the Town not have a policy that this field is by reservation only or through coach supervision and only for use of kids from ages 2-14? Brower responded the Town can “try anything”, but when staff is not there it is hard to control. The adults would probably not use the futsal courts as they are smaller and play with less people with these being focused on the youth. There was mention of the suggestion boxes that the Recreation Department has placed at the Town's gyms for citizens to place their input on recreational issues. Recreation Director Donald Dones continues to look at bringing recreational options for those who do not play “ball”. Brower noted that the number of people involved in our recreational activities continues to grow.

LICENSE PLATE AGENCY: Brower advised he had spoken with Donna Boone with the DMV and she still states the three week training cannot begin for the Siler City LPA employees until March 12th.

TARPO: Commissioner Larry Cheek reported on the recent TARPO meeting he attended. He mentioned that they are projecting to build a loop around Siler City going north and feels the Town needs to put forth an effort to protect those businesses on 64 as well as others. Brower added he and Planning Director Jack Meadows also met with Matthew Day with TARPO looking at proposed sub-divisions, etc. that would put added traffic on roads. He told Mr. Day that he felt a loop around Siler City would have a tremendous economic impact on the Town stating that Day advised there would be other options studied before a by-pass such as this would be constructed. One option would be to take the middle turn lane on 64 and turn it into a vegetated area that would help to avoid left-hand turns making the road safer. Several Commissioners brought up that several years ago there was a plan for a southern loop that would enhance the Siler City Municipal Airport. Cheek and Brower advised a link was listed on the water bills this past month for citizens to use to input their opinions.

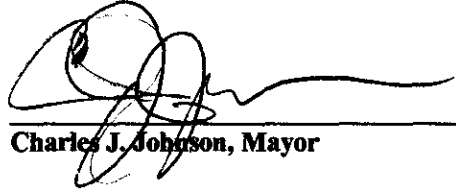
BOARDED-UP HOUSES: Commissioner Siler asked if there was an ordinance to address the appearance of boarding windows of vacant houses and the effect it has on the neighborhood? Commissioner Cheek had also been contacted by citizens and after talking with Building Inspector Charlie McLaurin found out that if a house is “not in bad enough condition to be condemned”, there is nothing that can be done. It was also pointed out that the boarding up of windows is also a way to secure the property.

GANG ACTIVITY AT BOLING CHAIR: Commissioner Bray has heard there is possible gang activity at Boling Chair. Brower advised he has asked Charlie McLaurin to contact Mr. Schwartz, owner of this property. In answer to a question of what is to be done with the “old Henry Siler School”, Brower advised he understands there is an effort to transfer it from the CCCC to Chatham County Schools. There are interested persons looking at the school as well as the old hospital.

**TOWN BOARD MINUTES
FEBRUARY 20, 2012 MEETING
PAGE THREE**

APPROVAL OF MINUTES: The minutes from the February 6, 2012 meeting of the Siler City Town Board of Commissioners were unanimously approved upon a motion by Mayor ProTem Grimes and a second from Commissioner Siler.

With no further business, the meeting adjourned at 9:10 p.m.



Charles J. Johnson, Mayor

ATTEST:



Karen C. Alman, Town Clerk