

TOWN OF SILER CITY

The Siler City Town Board of Commissioners met in regular session on **Monday, February 6, 2012** at 7:00 p.m. in the City Hall Courtroom with Mayor Charles Johnson presiding. Commissioner Adams gave the invocation after the recitation of the Pledge of Allegiance. A motion to approve the minutes from the January 17, 2012 meeting was made by Commissioner Siler and unanimously carried upon a second from Commissioner Adams.

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

PLANNING BOARD PRESENT: Curtis Brown, Dacia Hayes, J. P. Joyner, Wallace Matthews, Dan McMasters and Mickey Pore.

PLANNING BOARD ABSENT: Mary Harris, Harold Hart and Patty Poe.

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

Mayor Johnson advised the Board that Item #7 – Application for an Amusements Business License – has been withdrawn and will be replaced with consideration of approval of a Resolution for Restoration and Reuse Grants Program.

JOINT PUBLIC HEARING FOR REZONING REQUEST-JAMES E. SEARCY: Brower stated that James E. Searcy has requested to rezone 8.82 acres from Residential-10 (R-10) to Highway-Commercial (H-C). This property is located at 1401 W. 11th Street. The joint public hearing has been properly advertised and a sign placed on the property. Brower advised the request will go back to the Planning Board at their regular meeting on February 13th and will return to the Town Board for consideration on March 5, 2012. Mayor Johnson opened the public hearing at 7:05 p.m. Town Manager Brower called upon Planning Director Jack Meadows to further explain this rezoning request. Meadows reported the property has an existing single family dwelling and is surrounded by single family dwellings, bank and vacant properties. The Land Development Plan recommends general commercial and general residential development for the subject property. He pointed out that the Board may consider the entire range of permitted, special and conditional uses for the proposed zoning district as listed in the Table of Uses. The family of the property owner is interested in the rezoning due to the fact that no one has shown interest in the property so far. With the future State Employees Credit Union to be located next to this property, they felt this would be a good time to rezone this property to Highway-Commercial.

Ron Evans, 4 Pine Court Drive, Siler City, NC 27344: Mr. Evans was present to represent the Searcy's stating that Mr. Searcy had suffered a severe stroke while visiting his son in California and was currently in the hospital. Board members did not have any questions for Mr. Evans.

Mayor Johnson closed the public hearing at 7:10 p.m. (*Schedule 10-A*)

JOINT PUBLIC HEARING FOR A UNIFIED DEVELOPMENT ORDINANCE TEXT AMENDMENT: This joint public hearing is to consider input on UDO Text Amendment – Article VIII § 1114-Extension or Enlargement of Non-Conforming Situations. Brower advised this joint public hearing has been properly advertised, will go before the Planning Board on February 13th and return to the Town Board for consideration on March 5, 2012. Planning Director Jack Meadows explained that staff had been contacted by property owners and contractors regarding concerns about the Town's ordinance on non-conforming homes due to the fact they do not meet the current setbacks of the Town's ordinance. The Planning Board asked staff to put together an amendment to this ordinance to allow additions to nonconforming single family residential buildings if the addition does not intrude into the building setback any closer than the existing building. Meadows reported that staff received information from 21 communities regarding this situation for review before amending the UDO. Commissioner Cheek asked if adjoining property owners would be notified under this proposed amendment with Meadows answering no. He then read the proposed amendment as follows:

Article VIII – Non Conforming Situations

§ 114 – Extension or Enlargement of Non-Conforming Situations

(c) Existing single-family dwellings with setbacks which were made nonconforming by the adoption of this Ordinance on August 1, 1993 are exempt from the requirements of this section if:

- 1. The proposed addition or alteration will either meet the current setback requirements or will not further encroach into any required setback more than the existing structure.**
- 2. The expansion into a required yard setback does not more than double the area of encroachment already existing within that required yard setback.**
- 3. Any addition or alteration that encroaches into any setback shall not exceed the height of the existing structure.**
- 4. Nonconforming structures housing nonconforming uses shall not be enlarged or expanded in any way.**
- 5. This shall not apply to enclosing existing nonconforming decks and patios if the deck or patio is the furthest projection into the setback.**
- 6. Such encroachment shall meet the North Carolina State Building Code.**

Meadows then explained illustrations he provided and answered questions from Board members to further clarify this amendment. In response to a question from Commissioner Price, Meadows stated that this UDO text amendment deals with attached additions, not detached. Mayor Johnson called for a public hearing at 7: 27 p.m. and was immediately closed as no one wished to speak on this matter. (*Schedule 10-B*)

JOINT PUBLIC HEARING FOR A UNIFIED DEVELOPMENT TEXT AMENDMENT: Meadows stated this text amendment comes before the Board as a result of Town staff being approached by “a medical office/clinic that would like to locate within an existing occupied industrial building and offer medical services to the company's employees and their

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family members, other company's employees and the general public." A medical office/clinic cannot be located within the Heavy-Industrial zoning district under the current ordinance. The proposed amendment to the Table of Permissible Uses is as follows:

18.0 Office Clerical, Research and Services Not Primarily Associated With Goods or Merchandise

18.14 Office or clinics of physicians or dentists with not more than 10,000 square feet of gross floor area, accessory use.

In response to a question from Commissioner Adams, Meadows advised he had spoken with Town Attorney William Morgan and Town Manager Brower and felt if the clinic was just for the company's employees, it could be done under the current ordinance, but because they want to open it up to other company's and the general public, Town staff felt like an amendment was necessary. Mayor ProTem Grimes pointed out he did not feel that any conditions should be more lenient than what is required for general practitioners that are currently in business. The public hearing was declared open at 7:34 p.m. by Mayor Johnson and with no one wishing to make comment on this matter, the public hearing was closed.

PRESENTATION OF THE FY 2010-2011 AUDIT REPORT – WARD & FOUST CPA'S: Lynda Ward with Ward and Foust CPA's presented the FY 2010-2011 audit report. She pointed out that in the year ending June 30, 2011 the revenues of the General Fund were \$5,091,000 which had increased over the previous year about \$61,000 showing that revenues were relatively flat. Expenditures for FY 2010-2011 were \$5,746,181 which were up about \$622,000 from June 30, 2010. The majority of the increase came from the purchase of a fire truck and related equipment. Expenditures over revenues totaled \$259,000. Ward pointed out the Town is "still in good, strong, solid financial shape". In previous years, revenues exceeded expenditures with the Town building up its Fund Balance which has helped in these difficult economic times when for the past couple of years expenditures have exceeded revenues. As of June, 2011, the Town's Fund Balance totaled approximately \$2.4 million representing 28% of the General Fund expenditures. Ward stated the Local Government Commission likes to see Fund Balance between 8% to 12% with Siler City having about twice that much. The Water and Sewer Fund revenues were \$4,956,048 at year ending June 30, 2011 which is up \$200,000 over last year. At the time of these figures, Townsends had not closed. Expenditures were \$5,100,000 up \$813,000 over the previous year. The interest expense for the reservoir is included in this figure. The Water and Sewer Fund shows a net loss of about \$124,000. Ward commended the Town for having the foresight to grow Fund Balance during good times to help during the current economic situation. Fund Balance for the Water and Sewer Fund totals \$2.7 million. Ward thanked the Town for the opportunity to perform the audit and thanked Town staff for their promptness in gathering needed information. As Chatham County will now be collecting property taxes for the Town, Mayor Johnson asked the auditors if there were any other areas that overlapped which the County and Town could work together? Ward replied they were not aware of counties taking over any other duties for municipalities. Commissioner Cheek commended Town Manager Brower and the Finance Office for the continued good work after the retirement of previous employees. Commissioner Adams asked Ward if the License Plate Agency will require the same level of audit as the Town? Ward responded that the LPA will need to be a separate enterprise fund within the Town of Siler City as required by the Local Government Commission.

CONTRACT FROM WARD AND FOUST CPA'S TO PROVIDE AUDITING SERVICES FOR FY 2011-2012: Brower advised Ward and Foust are proposing to provide auditing services for the Town of Siler City for FY 2011-2012 in a not-to-exceed amount of \$25,418. This represents an increase over last year's fee of 3% and includes an estimate of \$2,000 for the License Plate Agency Department. There has not been an increase in the audit fee since June 30, 2010. Brower advised he and the Town staff feels the service the Town receives from Ward and Foust is excellent and appreciates their help throughout the year. Mayor ProTem Grimes made a motion to award the contract for auditing services for FY 2011-2012 in a not-to-exceed amount of \$25,418, seconded by Commissioner Cheek and unanimously carried. *(Schedule 10-C)*

RESOLUTION FOR THE RURAL CENTER BUILDING REUSE & RESTORATION GRANTS PROGRAM-LAZAR INDUSTRIES: Dianne Reid with the Chatham County Economic Development Corporation explained that the NC Rural Economic Development Center is a state funded organization whose mission is to work in the 85 rural counties of North Carolina and help "spur" economic development in these counties. The NC Building Restoration and Reuse Program was created in 2004 to help communities with vacant property that was within their jurisdiction. A municipality or county could apply to this program if a building had been vacant for 90 days or more on behalf of the project to help renovate the vacant property. Last year they saw that there were several occupied buildings that could be expanded for existing buildings and have a significant economic impact as well. The request for Lazar Industries will fall under the "occupied building category". Reid explained the local government entity applies to The Rural Center for half of the funding for a project or a cost per job whichever is lower. The request for Lazar is \$200,000. Reid advised the Town is responsible for putting 5% towards the total project cost which can come from the industry. Lazar has agreed to pay this 5%. The Town would receive the funding and have an agreement with the company with the company committing to the creation of jobs. At the end of the construction period, the jobs are created and have to be maintained for 6 months at which time the loan would be "forgiven". If at the end of 6 months, some or all of the jobs are lost, the Town is not required to use General Fund to repay the grant, but The Rural Center would expect the Town to go to the company within legal rights to have them repay the grant. Because of the Town's involvement as a STEP community, Siler City would be given priority to the Rural Center funds. Reid added the EDC is happy to partner in this program and willing to provide the upfront analysis and work with the attorney to draft a model and perform the review of the jobs in the end at no charge. She introduced Michael Buskirk, General Manager of Lazar Industries in Siler City. Mr. Buskirk advised Lazar was founded in California in 1983 making fully upholstered dining room chairs and purchased the facility in Siler City in 1991. At one point the business was very profitable in Siler City. Mr. Lazar sold the business but retained a minority stake in the company. With the recession and the lack of Mr. Lazar's presence, the business declined. In 2010, Mr. Lazar along with two other people purchased the company back with the company growing 10% in 2010 and 25% in 2011. He mentioned that the cost of doing business in California is prohibitive and feels moving some of the jobs from California to Siler City (40 to 50 jobs) would be profitable for the company. Buskirk added they would be moving 100% of their contract work to the Siler City facility. In response to a question from Mayor Johnson, Buskirk advised the company would be making upholstered furniture. The 40 jobs at this point would be 8 administrative positions and 32 plant positions with hopes to fulfill this within 12 months. There is

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hope to expand in the future. The top management positions will be located at the Siler City facility. Brower reminded Board members that when he first became Manager, the Town, through grant funds, helped Lazar upgrade this building which is the same one in which Tapwood was located. Brower advised the EDC will be the administrator of this grant. Dianne Reid pointed out the grant is to be submitted by March 2, 2012 with a decision date of April 18th. A motion to approve the Authorizing Resolution which will allow the Town of Siler City to request grant assistance from the Building Restoration and Reuse Grants Program through the Occupied Buildings Program on behalf of Lazar Industries was made by Commissioner Adams and unanimously carried upon a second from Commissioner Price. *(Schedule 10-D)*

APPROVAL OF AMENDED NC STEP PLANNING INVESTMENT PHASE PROJECT: Planning Director Jack Meadows explained the NC STEP Planning Investment Phase Project (\$25,000) amendment is necessary in order to extend the termination date on the Term of Agreement from December 31, 2011 to terminate on June 30, 2012. Also included is a revised Reporting Schedule dated January 6, 2012 which will extend the final reporting date of July 31, 2013. The two amendments to the NC STEP Planning Investment Phase Project were unanimously approved upon a motion by Commissioner Adams and a second from Commissioner Constantino. *(Schedule 10-E)*

APPROVAL OF NC STEP IMPLEMENTATION PHASE PROJECT: The approval of the Implementation Contract will enable the Town to begin receiving the \$100,000 grant for the implementation of the approved projects listed in the contract. Adams asked about the Conflict of Interest Clause brought up at a previous STEP meeting with Meadows stating he had spoken with Art Jackson at The Rural Center who advised that the Town would follow normal Town procedures in regards to conflict of interest for bid requirements, etc. A motion to approve the NC STEP Implementation Phase Project was made by Commissioner Siler, seconded by Commissioner Constantino and unanimously approved. *(Schedule 10-F)*

CHATHAM AVENUE TRAFFIC ACCIDENTS: Town Manager Brower stated that at the last Town Board meeting, Roger Person had raised concerns regarding traffic and pedestrian safety on Chatham Avenue. He directed Board members to his memo which contained information obtained from the Police Department regarding accidents during the past 12-months. Most of these accidents occurred because of confusion over the traffic signals or motorists being distracted and not paying attention to the traffic lights. None of the police reports listed speed as a factor. Brower reminded the Board that he contacted DOT about a year ago because of concerns in the downtown area regarding the retiming of the traffic lights. After performing a study, the DOT informed Brower that the lights were timed according to their standards. They suggested installing circuitry into the roadway at Second Street and Chatham and Beaver Street and Chatham to allow cars approaching intersections from the east or west to trip the lights independently of any timing in hopes of slowing traffic. He also pointed out that at that time DOT advised funds were not available. Brower added that the intersection of 5th and Chatham has this type wiring. Commissioner Price pointed out that Mr. Person thought cars were traveling too fast on North Chatham. Police Chief Tyson stated the speed limit is 35 miles per hour in that area which is not posted. Commissioner Adams would like to see trucks directed at the intersections of Beaver and Third to Second Avenue except for local deliveries. Brower stated this would be a question for the DOT as well as lowering the speed limit. He will contact DOT to find out the Town's options. He will also contact Roger Person to advise him of what the Town is doing regarding his concerns. Commissioner Constantino asked if there was any relationship between these wrecks and persons driving without a valid license with Tyson responding the officers do see persons involved in accidents not having licenses.

LICENSE PLATE AGENCY: Town Manager Brower advised that staff has been hired for the License Plate Agency and renovations are almost complete. He has been notified by the DMV that the 3-week training is booked up and cannot begin until the week of March 12, 2012. Two of the new employees will begin February 13th and can be used in the Finance Office and other areas until their training begins on March 12th. The hope is for these employees to be able to help out in the Finance Office when needed in the future making cross-training necessary.

PRIVILEGE LICENSE DISCUSSION: Commissioner Price stated he was glad information was finally included in the agenda for privilege licenses and made a motion that at the privilege license fees be an item for discussion at the workshop on Monday, February 20th with copies of the privilege license schedules he has researched to be included in the agenda packet. The towns he has included are those in which Siler City is in competition. Mayor ProTem Grimes asked if a motion is necessary? Price stated he wants to make sure this will be on the agenda because he was "told that by February that we were going to have something to look at and we've got what some other towns are doing, but time is ticking by". Grimes pointed out this is just the start of February and that Price just needs to get the information to Town Manager Brower who will have it available for the packet. Price stated he started asking for this the first of December and was told the Board would have some information by the first of February and it is now the first of February and he does not have anything different than what he started out with in December. He pointed out he does not want to wait until the very end and "make another snap decision like was made before. I want to put some thought and process into it and maybe even involve some outside businesses because that is who it affects. It is pretty important because folks are starting to get worked up and get excited". Commissioner Cheek stated he did not feel like a quick decision was made last time, but agreed that there may be other towns our size that have something that might be better. He pointed out the Board told the citizens they would work on it and that is what the Board will do. Commissioner Price commented that to the citizens of the Town it does not look like the Board has done anything. Grimes stated that this is the point of a workshop. Mayor Johnson asked all Board members to bring any matters they want to discuss to the workshop session. He also asked that the Board members let Joel or Jack know if something needs to be researched and encouraged them to bring items to Joel if it needs to be included in the agenda or laid out the night of the meeting. Commissioner Bray noted that citizens are still inquiring about fishing at the reservoir and asked that it be an item for discussion at the workshop. Commissioner Adams asked Finance Director Tammy Speicher if the new software is at a point where scenarios can be run on privilege licenses? Speicher replied that she hopes to be at that point next week. She again advised that the Finance Office has been severely understaffed due to sickness and being down one staff person. Grimes asked Speicher if she would be able to use the same type of formula used now but apply different pricing with Speicher responding yes. He likes the way the privilege licenses are figured now, but noted that the price can be adjusted, if necessary. He stated that basing it on how much business people do is the fairest way to figure them. He pointed out that it used to be that a business bringing in \$3,000 worth of business in a year was having to pay the same fees as Wal-Mart and did not feel this is fair. Commissioner Cheek agreed

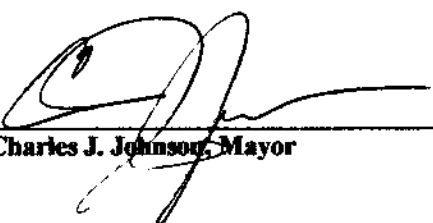
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with Mayor ProTem Grimes stating that a business that grossed \$3.0 million should not pay as much as a business that grossed \$1.0 billion a year. He is not in favor of eliminating the current privilege license fees and "putting it on the citizens on a fixed income and the businesses not carrying their fair share". Speicher shared some figures with the Board pointing out there have been 108 retail licenses sold last year based on gross receipts with a little over 39% paying the minimum of \$15.00. Those paying \$15.00 to \$100.00 were about 19%. Grimes asked Brower what the increase in property tax would have been based on the money generated from the privilege license last year if the Town had not implemented the new fee schedule with Brower responding \$.03. Grimes stated this would put a strain on citizens with the number of persons currently out of work adding that the Town needed the money. It was noted that the Town bought a fire truck which cost the Town \$350,000 on a lease agreement. He also mentioned that his company had been very fortunate, that they had had some good years and "if we need to share the good bounty, then we need to share a part of that bounty". Commissioner Adams stated he felt that there "was room in the privilege license to look inside without increasing property taxes". Commissioners agreed this is an item to be discussed at the workshop which Grimes stated he is looking forward to. Price again reiterated that he is trying to do what is right for the citizens of the Town commenting "there are a lot of citizens in this town that are not happy with the privilege tax as it is now written" with Grimes adding he was aware of that. Price continued that he did not want to put this off until budget time and wants to see effort put into this matter stating that if the Board does not do this they "are not doing a service to the citizens of this town". Commissioner Cheek added he felt the Town was already serving the citizens of the Town, but this issue is "trying to do a service on the part of business people, to satisfy them and my job is to satisfy all the citizens of Siler City". Price agreed that he is also trying to serve all citizens, but the businesses are "a part of the citizenship just as much as anybody else". Cheek stated they should not be able to control what they pay that they should pay their fair share and feels the current privilege license fees are fair. Price disagreed with Cheek's statement. Mayor Johnson spoke up and advised this matter will be discussed at the workshop session to be held Monday, February 20th.

Commissioner Bray asked why the public access to the City Lake was closed years ago? Brower responded that a person purchased the property with the house that was used to rent boats and when the deed was prepared, the access road was part of this property. The Town was in the process of building the Upper Reservoir when the gentleman advised previous Town Manager Ben Shiver that the Town did not have access into the lake. After many attempts, the Town was never able to negotiate with the property owner. It was mentioned the Town could take the matter to court, but Mayor Johnson stated he felt a better option would be to purchase property on the lake for access. Brower pointed out it is just not about access, but after talking with the NC Wildlife Resources Commission there has to be a facility with staff, boat ramps and parking adding this will be very expensive to accomplish. Brower pointed out that the Town's reservoir is the source of water for Town citizens. The level of the reservoir fluctuates which could cause problems with accessibility by boats. Commissioner Constantino was surprised to learn there was no access to the reservoir. Brower stated the Town has access on the Upper Reservoir where the road crosses and on the Lower Reservoir access is gained through the Town's Water Plant. Access through the Water Plant is not an option for the public. He also mentioned the fact that the Water Plant was built in 1934 along with the land purchased around it and the reservoir has to be planned in the same area. Adams asked Brower to provide the map to the two new Commissioners that shows the layout of the reservoir in its entirety.

Mayor Johnson stated that the company Value Outsourcing that has located in the Jennifer Convertibles building will have a ribbon cutting on March 7th.

With no further business, the meeting adjourned at 8:53 p.m.



Charles J. Johnson, Mayor

ATTEST:



Karen C. Alman, Town Clerk