

TOWN OF SILER CITY

The Siler City Town Board of Commissioners met in regular session on **Monday, May 7, 2012 at 7:00 p.m.** in the City Hall Courtroom with Mayor Charles Johnson presiding. After the recitation of the Pledge of Allegiance, the invocation was given by Commissioner Constantino. A motion to approve the minutes from the April 12, 2012 special meeting was made by Commissioner Price, seconded by Commissioner Cheek and unanimously approved. Commissioner Siler made a motion to approve the regular session minutes from the April 16, 2012 meeting which were unanimously approved upon a second by Commissioner Price.

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

COMMISSIONERS ABSENT: Sam Adams.

TOWN STAFF PRESENT: Town Manager Joel J. Brower, Town Attorney William Morgan, Police Chief Gary Tyson, and Town Clerk Karen Alman.

MILO HOLT WESTERN FILM FESTIVAL REQUEST – LINDA LEHMAN: Linda Lehman Chair of the Milo Holt Western Film Festival Committee read a letter she had recently sent to Town Board members requesting financial support from the Town in the amount of \$2,000. This event is to be held on Saturday, May 19, 2012. Commissioner Constantino advised he had attended several STEP meetings and remembers discussions on the STEP Film Festival project to be held in the fall which received \$5,000 in funding from the STEP program. It was suggested at those meetings to possibly combine the Milo Holt Western Film Festival in the spring and a separate film festival in the fall under this program. Constantino stated he had spoken with Commissioner Adams and they agree that it would be beneficial to look at the funds coming to the STEP program that will not be used until the fall of 2013 and use some of that for the Milo Holt Film Festival to "do it right". He commented he is very concerned about the lack of advertising. Mrs. Lehman advised posters have been placed in stores, two banners, Channel 5 website, advertised in The Chatham News and announced on WNCA. To clarify the \$5,000 through the STEP Committee, Brower explained the approved funds are for a Film Festival to be held in the fall of 2013. Commissioner Price would like to reallocate some of the \$5,000 from NC STEP for the Milo Holt Western Film Festival since the other Film Festival project is not scheduled until 2013. Mayor ProTem Grimes disagreed and felt the Milo Holt Film Festival should change their schedule to coincide with the Film Festival. Mrs. Lehman pointed out that the NC STEP programs cannot be specified for an event named after someone. She made application for funds from the STEP Film Festival Committee; however, it was rejected. Brower explained that the 14 projects under the NC STEP Program have been approved by The Rural Center and the NC STEP Steering Committee. Mayor Johnson asked if there is a charge for this festival with Lehman responding it is free. Vendors will be paying to rent their space. It was also mentioned the stars are coming with all expenses paid. Commissioner Price asked if it would be possible to ask the STEP Committee to reconsider and make this effort one of their projects. Brower responded that it would take an amendment and be necessary to go back to The Rural Center and then to the Town Board for approval. Mayor Johnson agreed with Mrs. Lehman when she pointed out she feels there will be a large turnout for this event. He also stated the Town is already helping with the festival in other ways such as public safety, cleanup, etc. In response to a question from Grimes regarding where the money would come from in the Town's budget, Brower replied that a budget amendment would be necessary, possibly taking the money from Fund Balance or any revenues from the License Plate Agency. Commissioner Cheek felt this is a great idea; however, if the Board decides to fund this project it could set a precedence for others to do the same. Brower explained this request is a deviation from the Town's policy in that a non-profit will send a letter of request for funding which the Board will discuss during the budget process and if approved will become available July 1st of that year. Cheek commented he wants to do whatever is possible to make Siler City the best it can be, but wants to do it the right way. Grimes asked Lehman what would happen with any monies if a profit were made from this event? Lehman stated it would be kept for next year and Ray Smith who has been helping with this effort would like to start a scholarship fund at NC State University where Milo taught classes in previous years. She also noted that jars may be set out for donations. Commissioner Bray feels this will be a great event for Siler City but is also concerned about setting a precedence for others in the future. Lehman reported that \$5,095 has been collected with \$2,634 in expenses so far and a remaining balance of \$2,460. Commissioner Price suggested the Town Board of Commissioners send out a letter to businesses requesting support for this event with a possible donation of \$25.00 stating this event will be a boost for Siler City and hopefully their business. Board members agreed the time frame will not allow for this. Mayor ProTem Grimes asked if it were permissible to make a motion that in order to support the Milo Holt Western Film Festival, the Board contribute an amount up to \$2,000 minus whatever is raised by the committee between now and the event? Town Attorney Morgan suggested a reimbursement after the event is over and pay directly to the service person/vendor. Grimes then made a motion to reimburse the Milo Holt Western Film Festival Committee for the airline tickets already purchased in the amount of \$1,792.69. Commissioner Bray asked if the Town would receive the monies back if donations came in to cover all the costs or would the committee keep the funds? Town Attorney Morgan clarified that governments can give monies to for profit groups; however, it is necessary to be sure the expenditure is being used for a public purpose. Mayor ProTem Grimes then asked if he could amend his motion to reimburse them for the airline tickets and if they exceed the \$2,000 that that it be used for the next years' festival. Morgan did not know how it could be fully enforced and feels it is important to make sure the monies are used for what it is appropriated. It is better to pay it directly or require an accounting audit to make sure the money is spent where requested. Mayor ProTem Grimes withdrew his motion and made a motion to pay for motel reservations up to \$1,680 and upon receipts, the Town will reimburse for food for the stars and companions food while festival is going on up to \$400 for a not to exceed amount of \$2,080. Upon a second from Commissioner Price, the motion unanimously carried. *(Schedule 17-A)*

ADVERTISEMENT FOR VARIOUS TOWN OF SILER CITY BOARDS AND COMMITTEES: Brower read from a list of individuals whose terms of service on various Town boards and committees will expire on June 30, 2012. Those who are eligible to serve another term will be contacted to see if they are willing to serve again. Commissioner Cheek moved to advertise for vacancies on the Planning Board, ABC Board and Airport Authority in order to make the necessary appointments prior to June 30, 2012. The motion unanimously carried upon a second by Mayor ProTem Grimes. *(Schedule 17-B)*

**TOWN BOARD MINUTES
MAY 7, 2012 MEETING
PAGE TWO**

MANAGERS PROPOSED FY 2012/2013 ANNUAL OPERATING BUDGET: Town Manager Brower advised the Town is looking at a shortfall of \$1.5 million dollars as Townsends continues to be idle requiring cuts and a possible water rate increase. He commended all the department heads who each gave him very conservative budgets and in some cases he has cut them even more. The total proposed budget is \$9,768,618 which is a reduction of \$829,258 or a 7.8 % decrease from the current budget. New items to the budget this year are the License Plate Agency, Pedestrian Planning Grant and the STEP Implementation Grant. Brower pointed out that taking these new items into consideration, overall spending has been reduced \$1,062,458 or 10%. Small capital outlay items have been proposed such as computers in various departments and a gator utility vehicle for field maintenance. Brower advised the current tax rate of \$.45 per \$100 of valuation will remain the same along with the fire district tax of \$.08. There are proposed revisions regarding the water rate structure. The new rate structure will maintain the \$23.00 minimum but will charge for water based on actual consumption. The current sewer minimum of \$7.00 will be maintained as well as the billing for actual consumption. The \$3.51 per 1,000 gallon rate for both water and sewer will be maintained. Brower reported there is a request to increase the fee for daycare facilities from the current \$30.00 to \$50.00 and implement a charge of \$30.00 for foster homes in the fire inspection fee schedule. There are nine permanent positions unfunded for FY 2012/2013. Brower highlighted some areas of General Fund as follows:

Revenues

- Advalorem taxes have been increased by \$27,973 based on updated tax values provided by Chatham County.
- Privilege License revenues totaling \$107,114 are projected to be generated using the new business license fee schedule which includes gross receipts for retail, wholesale and manufacturing. Wholesale and manufacturing will cap at \$1,250 with no maximum on retail.
- Local Option Sales Tax is projected to increase by \$79,000.
- Fire District Tax revenues are estimated at \$254,040 which are generated by the current \$.08 fire district tax.
- Fire Inspection revenues are estimated to be \$16,000.
- Transfer from Capital Reserve Economic Development: There are funds totaling \$10,977 which are budgeted for the Town's contribution to Chatham County for the interest expense on the installation of water and sewer lines at the Central Carolina Business Park. There are also funds allocated for the cash grant incentive for Acme-McCrory.
- License Plate Agency revenues are projected to be \$17,433 from operational expenses.
- State Police Grants: Funds in the amount of \$60,000 are budgeted to provide funding for the domestic violence officer.
- NC STEP Grant: Planning funds in the amount of \$2,500 remain.
- STEP Implementation revenues total \$80,000.
- Fund Balance has been reduced by \$63,550.

Expenditures

- The Finance Department is moving the entire salary of the Sr. Customer Service Representative to General Fund instead of 50-50 with the Water & Sewer Expenditures. Funding has been included for part-time assistance to cover vacation times by employees or during peak times.
- Estimated expenditures for Planning are as follows: \$1,930 remains for the NC STEP Planning Grant, \$99,700 for the NC STEP Implementation Grant, \$31,000 for the NCDOT Pedestrian Grant, and \$8,000 for the Loves Creek Greenway Trail Easement Acquisition.
- Police Department expenditures include the purchase and installation of a new computer server and software totaling \$14,900. There is also a request to reclassify two of the sergeant/detective positions to lieutenant positions bringing the chain of command in line with other departments of our size.
- Expenditures for the Fire Department include \$22,350 for turnout gear, pagers and computers. There is also a request for part-time firefighters to staff the station on Saturday and Sunday.
- Two laptop computers and docking stations are requested in the Building Inspections Department.
- In the Garage, the full salary of the Equipment Mechanic will be budgeted out of this department which had previously been supplemented 25% in the Water & Sewer Maintenance Department.
- Funds totaling \$75,000 have been budgeted in Public Works for street paving and sidewalk repairs. One permanent position is unfunded.
- The Sanitation budget has been reduced by \$32,700 through contract negotiations with Waste Management, Inc. This includes a larger recycling container collected every other week and an early contract extension.
- Parks and Recreation funds include \$7,500 for the purchase of a gator type utility vehicle for field maintenance and funds totaling \$2,875 for the exterior painting of Paul Braxton Gym. Expenditures in this department have been decreased by \$9,695.
- Funds in the amount of \$12,000 are budgeted in the Transfers line item for the first cash incentive grant payment to Acme-McCrory and additional funding in the amount of \$10,977 to Chatham County for the Central Carolina Business Park. Both of these contributions are through economic development funds.
- Employee Benefits include a 2-1/2% performance pay increase for Town employees performing above average work. There is no funding included for a cost of living pay increase. Longevity pay, 401-K plan and probationary pay raises for newly hired employees are included.

**TOWN BOARD MINUTES
MAY 7, 2012 MEETING
PAGE THREE**

Highlights for the Enterprise Fund – Water & Sewer are as follows:

Revenues

Revenues projected are \$4,113,503 which is a decrease of \$993,476 or 19.4%.

- The Water Charges line item has been decreased by \$375,873 due largely to the loss of our largest water customer Townsends. The proposed water rate structure to include a minimum charge of \$23.00 accompanied by billing for all water consumed is estimated to increase revenues by \$500,000.
- Sewer revenues have been reduced by \$687,377 also due to the loss of Townsends.
- Fund Balance revenues are projected at \$143,753 which represents an increase of \$5,774 from the previous fiscal year.

Expenditures

- The Water Plant budget has been reduced by \$107,520. One permanent treatment plant operator position is unfunded along with no funding for part-time assistance. There should be significant reduction in the operational costs for utilities, contracted services and professional services. Funds have been included for the replacement of lighting fixtures in the downstairs chemical room and the rebuilding of one of our high service finish water pumps.
- Funding at the Wastewater Treatment Plant has been reduced by \$250,536. Three wastewater treatment plant operator positions are unfunded and no funding for part-time assistance. Operational costs have been reduced in personnel, utilities, contracted services and chemicals. Funds for the installation of an automatic gate opener have been included.
- The Water and Sewer Maintenance budget has been reduced by \$115,420. Two permanent positions are unfunded. Inflow and infiltration work has been delayed for a year.
- Debt Service Transfers expenditures have decreased by \$520,000. The transfer of \$150,000 to General Fund has been eliminated as well as \$370,000 which is the projected reduction in Debt Service of the reservoir loan.
- Employee Benefits are the same as the General Fund employees.

Highlights for Enterprise Fund – License Plate Agency

Revenues

- LPA revenues are projected to be \$102,500 which includes fees through the State of NC and notary fees at our agency.

Expenditures

- LPA operational costs are projected to be \$85,067. An amount of \$17,433 is projected to be transferred to General Fund to offset building utilities and operational costs.

Highlights for Capital Projects:

- The AWOS project for the Siler City Municipal Airport is complete. There are no other capital projects anticipated at this time.

Highlights for Capital Reserve:

- The funds in this account were accumulated to provide improvements to facilities or purchase equipment as needed.

BUDGET SUMMARY

| FUND | AMOUNT |
|--|--------------------|
| General Fund | \$5,570,048 |
| Enterprise Fund (Water & Sewer) | \$4,113,503 |
| Enterprise Fund (License Plate Agency) | \$102,500 |
| Less Interfund Transfer | \$17,433 |
| TOTAL BUDGET | \$9,768,618 |

Brower directed Commissioners to the Water Rate Comparison Chart to point out that Siler City is not out of line with other communities. The new rate structure will encourage conservation which could result in less projected revenue making it necessary to review periodically during the year.

Mayor ProTem Grimes asked if the Town was reaping a benefit from citizens recycling more and having less garbage? Brower responded yes in that the Town is saving from having less tonnage dumped at the Transfer Station. Grimes encouraged the press to make this known to their readers and listeners and to be more diligent in recycling. In response to a question from Commissioner Cheek, Brower advised the Town does not project to do any hiring unless there are persons who retire or leave. The Town has nine permanent positions that are unfunded with the Town functioning at a minimum to operate efficiently. Commissioner Bray asked the last time the health insurance for Town employees has been reviewed stating that the State of NC reexamined coverage for their employees and if they chose 80/20 coverage instead of 70/30, their deductible increased along with their out-of-pocket expense. She is trying to look in all areas to see where the

TOWN BOARD MINUTES
MAY 7, 2012 MEETING
PAGE FOUR

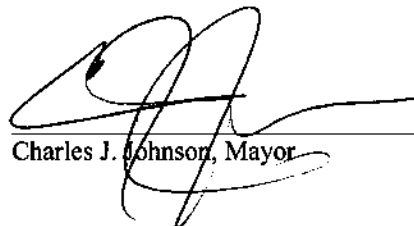
Town can save. Brower advised last year he invited representatives from the NCLM who handles Siler City's insurance program pointing out the Town receives added benefits and costs savings. He has looked at different plans and feels the Town receives "good value for our dollar". Bray stated she feels this is one place the Commissioners need to look out because it is "a big chunk and everyone is having to do that". Brower advised the insurance package is a significant benefit for Town employees and feels the Town has a good plan and would like to keep it in place if possible. Commissioner Price asked Brower if he requests bids for insurance and other benefits to see "where the Town falls in overall spending". Brower responded that by working with the League it is almost like being self-insured receiving benefits and savings that are tailored to municipal needs. Many of the surrounding towns are also insured through the NCLM. Brower pointed out that one drawback he has encountered before is that when you go out for bids, you may have a company with a significant, lower bid, but in a year or two premiums will begin to increase. Brower will provide the deductibles for employees at the budget workshop. Commissioner Bray then asked about the 2-1/2% performance pay increase for those employees who have taken on more responsibility and are doing above average work pointing out that all employees received a 3% cost-of-living raise in 2010 and NC State Employees have not received a raise for the last 4 years. She stated that State employees also had to give back 5% of their pay the first year of cutbacks advising she does not agree with giving a raise to employees this year. Bray noted the Town does not need to be increasing water rates and giving employees a raise. Commissioner Cheek explained the Town is working thin now and does not think the implementation of the pay performance pay for those employees who do above average work will be a substantial amount. Mayor Johnson asked Board members to set a date for a public hearing in which discussions will continue. Commissioner Price made a motion to set a public hearing regarding the budget on Monday, May 21, 2012 and was unanimously approved upon a second by Commissioner Siler. A motion to set a workshop session on the budget for Tuesday, May 29, 2012 at 7:00 pm. in the conference room of City Hall was made by Commissioner Cheek, seconded by Commissioner Price and unanimously carried. *(Schedule 17-C)*

DOT SIGNS: Brower referred to letters and e-mail traffic regarding downtown traffic and also signs recognizing the J-M Jets Girls Basketball Team. He first wrote a letter to Nick Fields, Traffic Services Supervisor with NCDOT in Carthage, NC regarding the timing of traffic lights, the downtown speed limit and thru truck traffic on February 13, 2012. The next letter written to Mr. Fields was on April 10, 2012 regarding the recognition signage for the Lady Jets Basketball Team. A response on these requests was received Thursday, May 3rd. A cost estimate per recognition sign is \$250-\$300 and an additional \$50 per sign for installation if they are mounted on existing "Welcome To" signs. The signs would only be allowed for three years with the 2012 in the wording. Brower advised these signs would be attached to the City Limit signs on either end of Highway 64. The signs will be green with white lettering. Brower stated he received word from DOT today that it may take up to 3 months to complete these signs. Mayor ProTem Grimes made a motion to proceed with the recognition signs and unanimously carried upon a second by Commissioner Price.

Regarding traffic lights, the speed limit along Chatham Avenue and thru truck traffic, Mr. Willett, Division Traffic Engineer with the NCDOT, advised the speed limit can be lowered; however, placement of the speed limit signs are very limited. Town and State ordinances state that the city-wide speed limit is 35 mph unless otherwise posted. Brower asked Police Chief Tyson to have officers observe downtown traffic with the thought that it is hard to get to 35 mph unless a person is pushing to get through the lights. The DOT asked if the Town would be receptive to install four way stop signs at the intersections of Chatham Avenue and 2nd Street and Chatham Avenue and Beaver instead of stoplights if a traffic study showed the level of traffic would allow? Brower stated Town staff felt this was too dangerous and would also include the loss of approximately eight downtown parking spaces. In his memo, Mr. Willett advised that the existing timing on the traffic lights is shared by both north-south and east-west equally. Brower advised he timed the traffic light at Chatham and Second with the green light running 14 seconds and the red light was 40+ seconds. In response to a question from Commissioner Siler, Brower advised that the Town Board can change speed limits on their streets, but if it is a DOT street, it is necessary to seek their approval. Siler mentioned he felt the speed limit of 35 mph on Sheffield Drive is too fast. Brower reported that the Police Department is currently studying this matter, but does not have results as of yet. *(Schedule 17-D)*

HISPANIC LIAISON YOUTH GROUP: Commissioner Constantino asked that the Town Board recognize the Hispanic Liaison Youth Group for their 4th place finish in the TeenFest Project Talent Competition in Raleigh recently and also for receiving the "Audience Choice" award. This Project is to help spread the drug free and violence prevention messages. A motion to recognize this group by proclamation at the next regularly scheduled meeting on Monday, May 21, 2012 was made by Commissioner Constantino, and unanimously carried upon a second by Commissioner Price. Brower will contact and invite this group to the next meeting.

With no further business, the meeting adjourned at 8:36 p.m.



Charles J. Johnson, Mayor

ATTEST:



Karen C. Alman, Town Clerk