

**PITTSBORO TOWN COUNCIL SPECIAL MEETING
MONDAY, FEBRUARY 25, 2019 @ 5:30 PM**

QUORUM:

Shelby Smith
Doug Joiner
William Majeske

Jim Buddenbaum, Attorney
Shari L. Ping, Clerk Treasurer

OTHERS: Jason Love, Town Manager; Steve Maple, Building Comm; Sue Haase, LWG; Larry Hart, 400 Karen Dr.; Eric Wathen, RQAW

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE:

5:30 p.m. – President Shelby Smith brought the Special Council Meeting to order by establishing a quorum. Three (3) of five (5) members present. Jim Hill and John Hart (deceased) are absent. He asked the Council, staff and audience to stand for the Pledge of Allegiance and to follow with a Moment of Silence.

OLD BUSINESS

Water Plant SRF Funding – Shelby Smith introduced Sue Haase from London Witte Group. She explained that if we pull out of the SRF Funding this time we should count ourselves out for any SRF Funding in the future. Voting on this Rate and Financing Sufficiency Analysis does not mean we are finished with the project. There is still more to process with this project.

Sue Haase, LWG, went over the following Exhibits from the attached report-

Exhibit E – Estimated Sources and Uses of Funds – Proposed Revenue Bonds.

Exhibit B – Pro Forma Statement of Annual Cash Revenue Requirements for the Twelve Months Ended June 30, 2018 – we will take away the cost of water purchased from Citizens except for the \$3000 surcharge currently being paid monthly

Exhibit H – Comparison of Current and Proposed Rates at Various Levels of Consumption for Residential Customers – Our minimum of 2500 gallons costs \$23.24 and with the new rates it will be \$31.91 which is a 37.31% increase. This rate will not increase unless we go over \$392,429 in expenses. We can use Citizens as a backup plan if needed.

Jason Love asked Jim Buddenbaum and Sue Haase if we could pledge EDIT monies to the debt? Discussion followed and it was decided to look into this at a later date.

Shelby Smith said the reason he is supportive of this is because we don't know how much Citizens will increase their rate to us. Doug Joiner said he agreed. This is an investment for the Town, long term will be good for the Town.

Eric Wathen, RQAW, reported that the ad for bids will go in paper with a return date by March 28, 2019. In order to meet the deadline for SRF Funding we must give them an intent by March 1st and the bid process is due by April 1st.

Larry Hart, 400 Karen Dr., asked if there is a fee for using Citizens as a back-up? We only pay for the gallons used. He also asked if the rate for sewer will go up as well? No

He asked if we were going to hire someone to manage the water plant? Yes

What happens if we back out of the SRF Funding? We would go the traditional route of funding with a higher interest rate.

Bill Majeske said we have Arbor Homes building in Jefferson Park and the area north of I74 to develop. Doug Joiner said the plant would be self-sufficient.

Jason Love said the purchase of the land to put the plant on is not figured into these rates. The land will be purchased with other monies. He also said we did a water rate increase two (2) years ago but Citizens passes an increase onto us every two (2) years.

Shelby Smith asked for a motion to notify the SRF to put us in the pool for funding. Doug Joiner made a motion, Bill Majeske seconded. All ayes, motion carries.

Shelby Smith asked for a motion to authorize Jason Love and RQAW to send the project out for bid. Bill Majeske made a motion, Doug Joiner seconded. All ayes, motion carries.

Jason Love asked about the purchase agreement with Lynn Love to purchase five (5) acres of ground for \$20,000 an acres. Bill Majeske made a motion to authorize Jason to enter into a purchase agreement with Lynn Love, Doug Joiner seconded. All ayes, motion carries.

ADJOURNMENT: Doug Joiner made a motion to adjourn, Shelby Smith seconded. All ayes, motion carries.

Respectfully submitted,

Shari L. Ping
Clerk Treasurer

