

**PITTSBORO TOWN COUNCIL MEETING
TUESDAY, APRIL 2, 2019 @ 7:00 PM**

QUORUM:

Shelby Smith
Jim Hill
William Majeske
Kimberly Carmean

Jim Buddenbaum, Attorney
Shari L. Ping, Clerk Treasurer

OTHERS: Jason Love, Town Manager; Steve Maple, Building Comm; Andrew Cochrane, RQAW; Joy Bosse, RQAW; Larry Hart, 400 Karen Dr.; Amber Stinson, 388 Karen Dr.; Jeff & Stacey Lewis, 394 Karen Dr.; Shane Harrington, 406 Karen Dr.; Brenda Keller, 206 Woodland Place;

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE:

7:00 p.m. – President Shelby Smith brought the Council Meeting to order by establishing a quorum. There were four (4) members present. He asked the Council, staff and audience to stand for the Pledge of Allegiance and to follow with a Moment of Silence.

PUBLIC HEARING

President Shelby Smith opened the Public Hearing for the water rate ordinance introduced last meeting by introducing Andrew Cochrane and Joy Bosse from RQAW. Andrew Cochrane started by telling the Council and crowd that the Town plans to construct a 1 MGD (million gallon per day) water plant. He showed the renderings of the Phase 1 lines - getting the main water line under I74. This part had to be done regardless if the Town builds a water plant or not. Phase 2 consists of constructing the metal building which is 3400 square feet on the north side of I74, east of Jeff Gordon Blvd. He then showed a rendering of the inside of the plant. Bids were opened on March 28 and the low bid went to SSI at \$4.7 million. This is higher than our original plans of \$3.9 million budgeted. RQAW has been asked to do a value engineering, removing non-essential items of the project. They have until April 11 to get the plans back to us. Shelby Smith asked Andrew to explain what the non-essential parts would include. Andrew said it was basically taking away the wants without hurting the processing of the water treatment, such as the canopy on the front of the building. Another want would be the mezzanine (catwalk). Jason Love said another way to cut back is by using a different type of pipe. Jim Hill asked if there was greater maintenance on one pipe over the other? Jason Love said no. Shelby Smith said long term this is for the benefit of our community it is a really important project. but we have all been very cognitive of the 37.4% increase on 2500 gallons of water. He can't fathom going above that percentage that has been advertised to the public.

The plan is for RQAW to present a list of non-essential items that could be removed and it would be up to the Town to decide what to cut. Sue Haase from LWG will provide us an analysis based on the recommended if we choose to accept the recommendation by RQAW to determine what it does to our rates. The meeting on April 16 is the latest we can, based on the recommendations, make a decision on whether or not to proceed. We have to correspond with the SRF to be able to be put in the pool for the bond. Shelby doesn't feel comfortable going any higher than the 37.4% increase. The Council will need to look at all of the recommendations and decide if it will get us down to the \$3.9 million. If not, Sue will put together a rate analysis, possible a 54% increase of our water rates. Shelby said he would not be in favor of this.

Shelby explained how the continuation of this project will work. We will welcome any public comments tonight before continuing the Public Hearing. No comments from the Council or public. Shelby wanted some clarification on the amount of water being processed through the plant once it is built. Jason said 1 MGD which is 3 times our capacity. Currently the two (2) wells can produce what we currently use. The plant is big enough to handle growth. We may need more wells.

Stacey Lewis asked where the wells are? Jason Love said one on each side of I74. The Town has purchased 10 acres on the north side of I74 to put the 3400 square foot building on. The mezzanine is approximately 650 square feet. Jason explained to Jeff & Stacey Lewis in detail.

Shane Harrington asked how much are we into this project? Shelby Smith told him \$1.7 million and if we don't do this project we still have to pay that debt back. Shane said he was with the Council on this project, very smart for the

Town. But he feels there is no way the Town can justify not doing it even with a 50% increase for the water. The Town is spending a lot of money with this plant, trails and etc. Jason Love explained this is utility money coming from different checkbooks than the general. Shelby feels confident that Jason can shave off some expenses working with the engineers. Jason said he has shaved off \$400,000 already. There are incentives for going with US Iron versus NC900.

Shelby asked if there were any other questions related to the water plant? From Council or Public? There being no further discussion Shelby suspended the Public Hearing. It will continue on April 16th.

APPROVAL OF MINUTES:

President Shelby Smith asked if there were any additions or corrections to the minutes from the March 19th meeting. Bill Majeske made a motion to approve the minutes, Kimberly Carmean seconded. All ayes, motion carries.

OLD BUSINESS

Bond & Rate Ordinance – moved to the April 16 meeting

Redevelopment Commission Vacancy – Received resumes from Troy Hardister and Steve Haley. Shelby was hoping they would be here tonight to show their continued interest. Steve Haley was interested in the Park Board vacancy as well, but withdrew his name at the March Park Board meeting. Shelby said they both had great resumes. He asked the Council members if either one stuck out more than the other? Bill M., Kimberly C., and Jim Hill all agreed that Steve Haley was their choice. Bill Majeske made a motion to appoint Steve Haley, Jim Hill seconded. All ayes, motion carries. Steve Maple thought the appointment should be by President, Shelby appointed Steve Haley. Shari looked it up and said it was Council appointment. So strike from record the president appointment. Shari will contact Steve Haley to notify him of his appointment.

Park Board Vacancy – Shelby Smith reported that he received an email from Rachel Miller, Park Board Interim President, and she said they had interviewed all three (3) candidates. They recommend William Nickrand. He has hands on experience in Holiday decorating and very motivated to help in any way he can. Shelby Smith appoints William Nickrand to the Park Board with his term starting immediately and expiring on 01/01/22. Shari Ping will notify William.

ArchiveSocial – Shari Ping went over the archiving of our Facebook pages on the computer. Jim Buddenbaum asked about having an elected official as the administrator. Concerned about someone voted out of office and they don't turn over all the passwords that could present a problem. Shelby Smith feels it is important to keep our records safe. All members of Council agreed. Shelby Smith made a motion to approve the \$199/month for a year with a prorated amount for 2019 for all our social media accounts. Bill Majeske seconded. All ayes, motion carries.

HB1021 – Shelby Smith read an email he received from Michael Springer regarding this bill (see attached). Aleasha Boling sent an analysis for this bill and Shelby feels it was a good analysis. Shelby feels we should keep this on our radar.

NEW BUSINESS

Insurance Opt-Out Option HSA – Shelby Smith explained that several months ago we talked about an Opt-Out option for insurance in lieu of spouses taking spouse's insurance or on Medicare. This could save the Town \$30,000/year. The ask was to create the option and still provide the HSA contribution the other employees receive. We would have to offer this to across the board and offer to all employees, not just one. We can save a lot of money by allowing employees to go a different route with their insurance. We currently offer a single person \$3000 and a family \$4500 as a contribution to their HSA accounts. A bonus in lieu of insurance would be a specific line item. The Fire Territory has done this by increasing their salary, Shelby doesn't like that option since it takes that wage and gives all other increases based on that. When it is really not a performance type of a raise but it's more like a bonus. Jim Buddenbaum has concerns which he explained. He understands the way Brownsburg does it-we have insurance you can buy through us but in lieu of that everyone gets X amount of dollars, you can either buy the insurance or not buy the insurance. It's your choice and everyone has the option. What we are thinking about doing, if you opt out you can get the HSA money, but we would still have a plan, you wouldn't be forced to do this. It wouldn't be like Brownsburg's plan where you get a chunk of money where you can buy insurance or not buy it. We'll still have an

insurance plan and you have to decide to opt out and receive HSA cash money. There is a section of the IRS code called Section 125, a benefit to provide a tax deferred or tax free basis. One of the reasons is so you have comparability and non-discrimination. You have to have a 125 plan in order to do the cash HSA money. More discussion followed. There is a benefit to having a group plan as opposed to everyone going out and getting their own insurance. Shelby is proposing that the Town can be creative in this especially since we could save \$30,000 on one employee. What would be the next step in creating the 125 plan. Jim does not recommend doing the 125 plan. He suggests going to our insurance agent and see if they have a 125 plan. There is no end of year filing. Shelby asked Shari for Mike Steele's contact information.

Shane Harrington asked you take the insurance or you don't. Why would we pay you not to take the insurance? I don't know any company that pays someone to not take the insurance. He thinks it's wrong. Jim Hill said it is a benefit that one employee is getting and one or two others don't get that same benefit.

We will continue to talk about this. Shelby will call Mike Steele and get back to the Council.

Additional Town Green Space – Shelby Smith said that he had been talking with Jason about the 20 acres the Town owns south of 136. It was purchased to see if there was any water however there wasn't enough water to build the water plant there. Shelby recommends making it additional green space for those citizens not wanting to deal with sports but wanting a place to walk their dogs or have a family picnic in a nice quiet place. Shelby's not sure what the cost would be to put grass seed down and plant some trees. That way we can control what goes into that space. Jim Hill was talking to a neighbor about not having any green space to walk or picnic. He feels we should poll the town residents and ask what they would like to see in that area. Several residents were at the meetings when the Town was talking about purchasing the ground and they were very vocal about what they wanted to see on the acreage. They made it clear they didn't want any buildings behind their houses or a dump on the 20 acres. Shelby said that we could poll the residents. Bill Majeske asked about an access to the property and Jason said at this time there isn't an entrance available. Consensus of the Council is do not sell the 20 acres. Make it an area for green space.

Annexation - Steve Maple said there are four (4) different people wanting to annex into the Town. He explained that you cannot annex one (1) year prior to a census.

UDO Amendments – Shelby asked Steve about the two (2) Advisory Plan Commission recommendations in front of him. Steve explained about the zoning of the property behind Kathy Kelly, Tom Cowley and Greg Conwell's property needing to be changed from Ag to R2. The other one is changing the UDO regarding parking on the streets in new subdivisions be designed to park on the side opposite the mailboxes. Shari asked about the Ordinances needed for both of these. Steve needs to get the recommendations to him so that he can have the ordinances done. Table until April 16th.

PUBLIC COMMENT

Shane Harrington asked why are you talking about the water plant on the 16th because there's already so much invested already, you almost have to do it. He agrees it is a good idea. Shelby Smith said that if the rate increase is 50% or more, he would not be in favor of it. There's a lot of other factors that we need to consider. Sue Haase, LWG, will bring to the meeting an analysis on our current debt based on the current water rate. It is important to remember that \$700,000 had to be done and paying for itself. While Shelby agrees with Shane that the project is important but he's not confident it will be a good idea to increase the rate 50% or more. The financials will be presented at the meeting on the 16th. Jim Hill reminded everyone that we are at the mercy of Citizens and their rate increases.

ATTORNEY:

Jim Buddenbaum has nothing at this time

COLLECTIONS

Shari Ping presented the information she received about a new collection company. She has called the owner for more information and she has not received anything yet. Will have more information at the meeting on the 16th.

COUNCIL COMMENT:

Shelby Smith explained that he was invited to Jeff and Stacey's house this week. They wanted Shelby to sit in their back yard to see how close the trail would be to their patio. Shelby encourages the rest of the Council to do the same thing--walk that portion of the property and see where the hill with their pine trees is and several sheds are behind the hill. Shelby feels it would give you a clear picture of where the Duke easement and the railroad easement are. This is important part if we get the grant for the trails. Shelby feels that running the trail in the center of Karen Drive property certainly does not make sense. Shelby felt pretty confident that the four (4) Karen Drive residents present tonight would welcome you.

REVIEW & APPROVE APRIL DRAFTS AND CLAIMS:

Shari Ping presented the drafts and claims for April 2, 2019. Bill Majeske made a motion to approve the drafts and claims, Kimberly Carmean seconded. All ayes, motion carries. The drafts and claims were passed for Council signatures

ADJOURNMENT:

Shelby Smith made a motion to adjourn, Bill Majeske seconded the motion. All ayes, motion carries.

Respectfully submitted,

Shari L. Ping
Clerk Treasurer