

Zebulon Board of Commissioners
Minutes
February 6, 2012

Present: Robert S. Matheny-Mayor, Curtis Strickland, Beverly Clark, Roy Collins, Dale Beck, Don Bumgarner, Rick Hardin-Town Manager, Lisa Markland-Town Clerk, Greg Johnson-Parks & Recreation, Emily Lucas-Finance, Tim Hayworth-Police, Chris Ray-Public Works, Sidney Perry-Fire, Eric Vernon-Attorney

Mayor Matheny called the meeting to order at 7:00pm.

APPROVAL OF AGENDA

Mayor Matheny stated that the first item of business was to approve the agenda.

Commissioner Strickland made a motion, second by Commissioner Clark to approve the agenda as presented. There was no discussion and the motion passed unanimously.

PUBLIC COMMENT PERIOD

There was no one who wished to speak.

MAYOR'S COMMENTS

Mayor Matheny said that he wanted to recognize the Fire Chief Sidney Perry for receiving the North Carolina Association of Firefighters award for Career Fire Chief of the Year for 2012. Mayor Matheny stated that Chief Perry had been a member of the Zebulon Fire Department for 44 years.

Next, Mayor Matheny wanted to recognize Police Chief Timothy Hayworth for being elected as president of the North Carolina Association of Chiefs of Police. The Mayor also read what the mission of the association was and that Willie B. Hopkins was one of the first to serve in the association.

CONSENT

A. Minutes

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of January 3, 2012. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of the January 9, 2012 public hearing. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the minutes of the January 18, 2012 work session. There was no discussion and the motion passed unanimously.

B. Finance

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve the tax report for November 2011. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve ordinance 2012-26. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve ordinance 2012-27. There was no discussion and the motion passed unanimously.

Commissioner Bumgarner made a motion, second by Commissioner Clark to approve ordinance 2012-28. There was no discussion and the motion passed unanimously.

PRESENTATION

Friends of Wakelon

Ann Matheny and Tommy Massey presented that they would like to conduct an event on the municipal complex grounds. They would like to have a school wide reunion for anyone that graduated from the school on April 21, 2012. Ann Matheny presented the agenda for the event as well. Ann asked that they have controlled access to the property since they would be charging for the event.

It was explained that Ann and several of the group planning the event had met with staff, which had helped them with the logistics of the event being held on the grounds. The Board did not have any questions at the current time.

Mayor Matheny asked Rick if staff had worked out the access problem. Rick Hardin stated that they had met with them and explained that the emergency 911 phone at the police department had to be available. The groups met, along with the police chief and a plan was devised that would allow for that to happen without closing the main front gates. Rick did explain that there would be some off duty police officers onsite to help the volunteers with the event.

Mayor Matheny said that the Board needed to approve the use of the facility.

Commissioner Bumgarner made a motion, second by Commissioner Strickland to approve the Friends of Wakelon to use the facility for their reunion event on April 21, 2012. There was no discussion and the motion passed unanimously.

OLD BUSINESS

A. Planning

SU 2012-02—Christopher Baker—106 W. Horton Street—Tattoo Parlor

Bo Dobrzanski gave a presentation on the request by Christopher Baker to locate a tattoo parlor at 106 W. Horton Street. The Planning Board unanimously recommended approval of the request with no conditions being attached.

Commissioner Clark made a motion, second by Commissioner Beck to approve SU 2012-02 as presented with no conditions. There was no discussion and the motion passed with a vote of 4-1, with Commissioners Beck, Clark, Strickland and Collins voting in favor and Commissioner Bumgarner voting against the motion.

B. Public Works

Hwy 96 Roadway Improvements

Chris Ray presented that they had come to a point where they would like to award a bid for the roadway improvements on Hwy 96 from Hendricks to Pearces. The project would hopefully begin on March 15, 2012.

Resolution 2012-16 would award the bid for the project to State Contracting, Inc. with bid of \$138,448.00, which would recognize a saving of approximately 12% of the estimated price.

Commissioner Beck made a motion, second by Commissioner Bumgarner to approve resolution 2012-16. There was no discussion and the motion passed unanimously.

Ordinance 2012-29 would recognize the additional funding from NCDOT for the project.

Commissioner Bumgarner made a motion, second by Commissioner Collins to approve ordinance 2012-29. There was no discussion and the motion passed unanimously.

C. Finance

Proforma Update

Emily Lucas gave a PowerPoint presentation updating the Board on the status of the proforma dealing with the merger of the water and sewer system with the City of Raleigh.

Emily explained that town staff and City of Raleigh staff had been working on amendments to the merger agreement. One of those amendments was to return 300,000gpd of capacity which would drop the base capacity to 2.2 million gallons per day. The total growth projected between 2012 and 2031 would be to double the water capacity used by the Zebulon area going from 1.26mgpd to 2.47mgpd. That would mean all the developments that the Board has seen and approved would be completely built out by 2019 or 1200 homes. That would also mean the use of 100,000gpd for all nonresidential development. Another way to visualize the water use would be that it would double the water used currently, tripling the number of homes in Zebulon from 4,464 to almost 16,000 by 2031 or adding eight industrial plants using the same amount of water as GlaxoSmithKline used currently.

Staff continued to recommend that the Town return 300,000gpd of capacity based on the correspondence with the City of Raleigh. That would allow the Town to extend the payback period for three years which would mean the end of fiscal year 2024. The initial rate increase of 7.5% for fiscal year 2013 would be the beginning of progressive rate increases over the next several years. The other alternative would be to keep the 300,000gpd of capacity but the Town would not get an extension on the payback period. That would mean that rates would have to be increased even more than what was proposed and next year the rates would increase by 10.5%.

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Emily continued by explaining that if the Town did not give back capacity and growth did not occur as projected that rate might have to be adjusted upward to meet the payback period of 2024.

Another issue would be the sewer plant and they had talked about not expanding it a 4 million plant since the capacity was not needed and second there were some challenges with permitting and construction. It would be a significant increase in rates to have a 4mgpd facility, which would add a significant amount to the proforma. Currently, they were in the process of rerating the sewer plant and the physical improvements needed to meet the rerated capacity. It would also provide the physical means necessary to discharge sewer through the payout period of 2024. Staff was still recommending that the Town do the physical improvements needed to rerate the sewer plant to 2.2mgd.

The last topic up for discussion was the Northern Interceptor and staff was proposing to drop that project off the list and add the Beaver Dam Creek Outfall. It would solve the issues with sewer flowing from some of the new subdivisions and would open up the new ETJ area for potential development. It would be an increase of \$3 million to the list and Raleigh had agreed to participate in the project. It also had the potential for some developer's to participate in the project.

There was discussion by the Board on rates if the Town did not meet growth numbers. It was explained that the rates would have to be increased more or the City of Raleigh would assess a surcharge to the Zebulon customers. Commissioner Strickland asked when the Board needed to make a decision on what was presented. Emily explained that the City of Raleigh needed to time to input the information in their computers and test it prior to July 1 so they would need to know as soon as possible about the merger agreement and that would drive the rates for the budget. March 15 was the date given by Raleigh to give the Town's decision.

Robert Massingale spoke about the surcharge and the City of Raleigh's position and the returning of capacity. He stated that if a surcharge were to be implemented it would be the same for all accounts. There was discussion about a surcharge based on consumption and Mayor Matheny said possibly using a percentage might work. Mr. Massingale said that if it was a flat amount per account then they knew the revenue that would be generated, if it was a percentage or based on consumption it would not be as easy to calculate the revenue generated.

After considerable discussion Mayor Matheny stated that he was really concerned about giving the capacity back and asked the Board if they would allow for him to work on the issue further to see if there was anything that could be done to extend the payback and keep the capacity. Robert Massingale stated he was told that the drop dead date for getting an answer from Zebulon would be March 15, 2012. The Board thought that was a fair thing to do.

Commissioner Bumgarner made a motion, second by Commissioner Strickland to table the decision on the proforma until the March 5, 2012 meeting of the Board. There was no discussion and the motion passed unanimously.

Commissioner Beck made a motion, second by Commissioner Bumgarner to allow the Mayor to go forward on behalf of the Town. There was no discussion and the motion passed unanimously.

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Commissioner Beck stated that he thought staff had done a very good job and was currently on the page of giving back the capacity as being the best scenario. But really wanted to see what, if anything, could be better for the Town.

BOARD COMMENTS

There were no comments at this time.

MANAGERS REPORT

Rick Hardin said that there would not be a public hearing or work session in February. The Board retreat was scheduled for February 23, 2012.

Commissioner Strickland made a motion, second by Commissioner Clark to adjourn. There was no discussion and the motion passed unanimously.

Date

Robert S. Matheny—Mayor

SEAL

Lisa M. Markland, CMC—Town Clerk