THE FOUR HUNDRED AND TWENTY SECOND SESSION OF THE BOARD OF ALDERMAN
VILLAGE OF ALAMANCE
JULY 22, 2013 – 7:00 PM

Present: Mayor Bundren, Mayor Pro Tem Sharpe, Alderman Clemmons, Alderman Tichy, Alderman Crouse, Alderman Slaughter, Alderman Gregory and Clerk York.

Alderman Clemmons gave the invocation.

Mayor Pro Tem Sharpe moved to approve the June 24, 2013 meeting minutes. Alderman Slaughter seconded the motion. The motion passed unanimously.

OLD BUSINESS

Plaid Day

This item was tabled for another meeting.

Report on Cabin Pump Station Project

Mark Reich reported they are still waiting for the Corps of Engineers who are scheduled to come on August 5, 2013, if they are not rained out again. They will confirm all the wetlands. Once this is completed, the design can be finished. Alderman Gregory asked about the timeframe involved. Mr. Reich indicated he didn't know the exact time of arrival from Raleigh, but perhaps no earlier than 9:00am. Within an hour to two hours, they will look over it, and maybe take one or two evaluations to confirm. It usually does not take that long. Mayor Bundren thanked Mr. Reich for his update.

ORC Report

Arnold Allred had not yet arrived, so this item was skipped until later in the meeting.

There was no additional Old Business.

NEW BUSINESS

Privilege License Fees

Clerk York observed there were two items for consideration. Privilege License Fees are typically for one year. When this was first set up for the Village of Alamance, payment was made in the month of July, which covered one fiscal year. When payment was made during the year, it covered the time until the end of the fiscal year. It was not considered one year covered from the date of the payment. The question is whether the Board wants to make Privilege Licenses effective for one year from the time of sign-up. Attorney Bateman stated that all Privilege Licenses must run July 1st through June 30th. There cannot be any that are pro-rated. This is according to NC State Statute.

The second question relates to sweepstake machines. The Village of Alamance has two related fees. Attorney Bateman has recommended that these fees be removed since courts have ruled that these are excessive. Clerk York pointed out that these sweepstake machines are not allowed anymore. Attorney Bateman addressed the subject, noting that there have been two court cases in the last three months. Mayor Bundren asked if the fees should be deleted or reduced. Attorney Bateman recommended that they be deleted for now. The Alamance County District Attorney takes the position that the sweepstakes parlors are still illegal. He intends to enforce the ban. The Town of Haw River has been sued over it. This will probably be a test case for everybody in the county. The League of Municipalities is defending it. The Town of Haw River said they would not spend $30,000.00 defending that lawsuit. Mayor Bundren asked that Attorney Bateman apprise the Board of what the fees should be, in the event the ban is lifted. Attorney Bateman noted that the fees could be reinstituted at any time during the year. Alderman Crouse made the motion to abolish the Privilege License Fee for the Sweepstakes Machines. Alderman Tichy seconded. The motion passed unanimously.

Subdivision of Christmas Property

Alderman Clemmons said that he should abstain from this item, since there is already a quorum. Attorney Bateman said this is a gray area, but that a motion would be needed. Alderman Tichy made the motion to allow Alderman Clemmons to recuse himself from this agenda item. Alderman Gregory seconded. The motion passed unanimously.

Clerk York informed that Mr. Christmas owns the property on Birch Lane. He referred to the map. Mr. Christmas plans to subdivide Lots #2 and #4. One lot has 211 feet of frontage. The other lot has 130 feet of frontage. Lot #4 is one acre; the other is .77 acres. The minimum is 20,000 square feet for a lot in the R-20 district. Mr. Christmas is essentially doing this so that he can connect to water and sewer, but only pay the frontage associated with one particular lot that he is connecting at this time. Mayor Bundren asked if the Board was considering a subdivision. Clerk York affirmed that this was a subdivision involving Lots #2 and #4. Mayor Bundren asked if there were plans for other subdivision at this time. Clerk York said that Mr. Christmas doesn't have any frontage to do that. Lot #3 has 177 feet of frontage. Mayor Bundren asked if this had been reviewed by the Planning Board. Clerk York reported that this has been reviewed by the Planning Board. The Planning Board approved the plat. Attorney Bateman has also reviewed it, and approved the plat. Alderman Tichy asked if it met all the requirements. Clerk York stated that it meets the frontage requirements, and the minimum size for a lot. Mark Reich looked at the plat and observed that Lot #3 appears to have sufficient room to get a driveway in. Clerk York added that Mr. Christmas does have a driveway that is not included on the plat. Mayor Pro Tem Sharpe made the motion to approve the subdivision. Alderman Tichy seconded the motion. The motion passed unanimously.

Bank Account Options

The Board had asked Clerk York and Alderman Slaughter to look at options for the bank account, in considering whether to keep the Wells Fargo account or move the account. Clerk York has met with several banks. Four of them: Fidelity, SunTrust, Mid Carolina, and PNC all offer essentially the same options of a free checking account. The account at Wells Fargo is an analyzed account, which means there is interest received, along with specific fees associated with the account. Clerk York met with Bill Page from Wells Fargo. Right now, the Village of Alamance has an earnings credit, which is like the interest rate of .05%. This is 5% of 1% that the Village is earning now. Wells Fargo will increase this from .05% to .25% and reduce the fees by $30.00. The Village is charged anytime there is a returned check. This happens from time to

time, though it is rare. There is a $25.00 charge each time. This charge will no longer apply. The $20.00 per month account maintenance fees will be reduced to $5.00. The Village has the main bank account and the Plaid Day account with Wells Fargo. Average fees are $150.00-$170.00. These fee amounts would be reduced to $55.00. The result would be fees of $30.00-$50.00 per month as opposed to what the Village is paying now. The other banks would be free while Wells Fargo fees would be $30.00-$50.00 per month. Mayor Bundren asked about the interest the other banks would pay. Clerk York informed there would be no interest paid with the other banks. They are free checking accounts, but earn no interest. With Wells Fargo, there would be fees, but also interest earned. Clerk York recommended that the Village keep the accounts with Wells Fargo. A new relationship would have to be established with another bank for only the difference of $30.00-$50.00 per month. There is a solid relationship established with Wells Fargo. They have reduced-off the fees for the last six months. Wells Fargo reduced six months of fees last year, as well, for the Village. The question is whether the Board wants to move the accounts over these amounts. Clerk York summarized that staying with Wells Fargo was the best option. Alderman Clemmons asked what would be saved if the Plaid Day account was closed. Clerk York answered that this would save another $5.00 each month. The fees for 2012 were approximately $160.00. There was $11.62 in interest at the .05% rate. This was offset by the $160.00. If the interest was five times higher, the fees for November would have been $50.00 on a balance of $278,000.00. The higher the balance, the less the fees would be. If the Plaid Day account was eliminated, it would reduce the monthly $50.00 to $45.00. Alderman Clemmons recommended that the Plaid Day account be eliminated. If Plaid Day is held again, it can be run through the regular account. This was the consensus of the Board, to close the Plaid Day account. Alderman Clemmons added that Wells Fargo staff, Dale and Sue, were people that Clerk York can call and get answers from quickly. Wells Fargo staff have always been very helpful. They have reduced and waived fees in the past. Sue will have less opportunity to do this in the future. Clerk York said that Sue has informed him there is no such thing as "free" banking anymore. Wells Fargo has accounts similar to the other banks, but they don't typically put public funds in those accounts. Mayor Bundren commented that they can't just look at relationships, they need to know what is the best deal for the Village, moneywise. Relationships can always be established. Sue will not have the flexibility to help, as she has had in the past. It's easier to leave the account where it is, but is this most expedient thing to do, Mayor Bundren asked.

Attorney Bateman asked if it was a municipal account or a business account. Alderman Clemmons said that Clerk York was talking about a business account. Alderman Clemmons observed that municipal money is different from a business account. It has to be public funds, every dime backed up with collateral. Clerk York stated that these are generally business accounts the Village would use, still collateralized. Clerk York said that he did not know why Wells Fargo couldn't offer to do what the other banks can, if they want to keep the Village's accounts. He understands the logic, but the other banks were quick to offer the free accounts. He is uncertain about moving the accounts to a new bank, but it is whatever the Board wants to do. Of the four banks, Clerk York would choose either Fidelity or PNC, if the Board wishes to move to a free account. They were good folks, with a solid presentation. Clerk York met with the folks from PNC. The Fidelity folks were originally going to offer an account that would pay $40.00 in interest and have $20.00 in fees. However, this was a Money Market type account that the Village could not put money into. They then offered free Premier Checking. This would be for public funds and would be collateralized. Mayor Bundren asked Alderman Clemmons what he recommended. Alderman Clemmons stated they needed to make sure there would be no surprises with the free accounts. He understands Clerk York's points, but it is hard to ignore or argue about the $600.00 in fees. It is fiduciary responsibility to take care of the funds. Alderman Tichy made the suggestion to check with the accountants for their opinion and what banks the other local municipalities use. Mayor Bundren agreed this was a great idea. Alderman Tichy added

that the accountants could suggest what types of accounts to avoid. Mayor Bundren decided to table this item until the next meeting. A decision will be made at the next meeting.

ORC Report

(Mr. Allred arrived and the Board returned to this agenda item under Old Business.)

Arnold Allred reported that the Collection System is doing great, despite 22 straight days of rain. There was a State Inspection of the Distribution System last week. They met with Cliff and everything went well. Cliff did have some questions about one item, but later sent an email that he was wrong about that. The Village will still receive a Violation regarding the sampling, but there will be no fee. They have exercised 11 valves, 6 hydrants, and some blow-offs last week. They have been working on a leak over at Jr. Frye's property. It has been leaking across the parking lot for some time. Clerk York did a test, and the water had fluoride in it. That led them to believe it might be city water. Clerk York kept a check on the meters; the leak wasn't going through the meters. Rural Water came in with a listening device. They could not find a leak anywhere over there. Jerry Warren looked around today and said it was one of two things: rain water or an old galvanized line. Mayor Bundren pointed out that it is running pretty good; she can't imagine that it's rain. Mr. Allred said there is a sump pump in the basement, and it pumps directly out to the parking lot. Alderman Crouse observed that the sump pump has been running for months, with all the rain. Jerry will check again, but right now they cannot find a leak. Everything over there is under asphalt, concrete, or sidewalk. Mayor Bundren asked how much the leak is costing. Mr. Allred indicated they have looked at usage for the last few months and no water loss is being shown. They will keep a check on it. Mayor Bundren asked if Jr. Frye planned to put something across his parking lot, as the standing water was concerning him. Mr. Allred responded that it was Mr. Frye's property, his responsibility. He had suggested to Joey Frye that the water could be piped to let it run down. They may decide to do that.

Finance Report

Clerk York reported that the CD won't renew until the end of the week. There is a healthy amount in CDs; it seems to be going well. Alderman Clemmons asked if Clerk York was okay with the spending, on a percentage basis, at this point. Clerk York replied affirmatively. There is one item of consideration. There is not a recorder on the hard drive in the Council Room. The software for the recorder was always on the computer in the room. Then there was a virus that had to be wiped. They were able to save all the data, but they couldn't save the programs. The rep for the company set this up before; the older version of the software is no longer sold. The cost for the new software is $1200.00 and they would want to set up a service contract for the year, which increases the cost to $2000.00. Clerk York would like to find the older version of the software. He has called the company, but has not received a return phone call. To put a recorder in the Council Room will cost $2000.00. Otherwise, Clerk York moves the hard drives back and forth. It would be great if he could copy everything on the hard drive and switch the computers out. The rep for the company has let the Village use something that he had, until the decision is made to get other program software. Alderman Tichy stated that it should not be difficult to take that drive onto the other drive. It should be possible to duplicate the drive. Mayor Bundren asked Clerk York to get with Alderman Tichy and decide who to call to accomplish this.

OTHER BUSINESS

There was no other business.

PUBLIC COMMENT

Randy Barrett introduced himself and his wife. They are neighbors of Mr. Christmas and are trying to hook on to water service. They live on the corner of Birch and Ashe Drive. They are asking for an exemption or exception so he is not paying twice for the lineage of the water line. Mr. Barrett stated they would like to hook up in the front of the property, on Birch Lane. This is 201 feet; the side is 335 feet. Clerk York noted that Mr. Barrett lives in Lot #1, as shown on the accompanying map. Normally, when one connects to water, the assessment is paid, along with the tap and connection fees. Because Mr. Barrett lives on a corner lot, he would be hit from the front and the side. He is asking for the side on Ashe Drive to be exempted, from the assessment fee, because he is not connecting on that side. Mayor Pro Tem Sharpe asked Mr. Barrett if he was in the city. Clerk York replied that he is not in the city. Mr. Barrett commented that Clerk York told him if he came onto water service, he would need to come into the city. He is fine with that. Mayor Bundren stated that the options were to come into the city or pay double rates. Mr. Barrett said he did not want to be penalized because he lived on a corner. Mayor Bundren summarized that this is a double request: to be brought into the city and to be exempted. Mr. Barrett agreed, adding he is requesting water and sewer. He asked Clerk York if the tap on fee was a one-time fee. Clerk York affirmed the fee only applied once, along with the line fees. Mr. Barrett said he was more concerned about the $40.00 per lineage foot on the side of his property. He is not going to subdivide. If he ever did, he would pay for it then. Mayor Bundren referred to Attorney Bateman, to confirm that this is typical of what has been done in the past with other homeowners. Attorney Bateman recommended a fee in lieu of assessment. He addressed the assessment rules and procedures whereby the Village assesses the property. Attorney Bateman said that an assessment rule process would include a public hearing and petition. This has been done on several occasions, but this is not one of them. It is a more limited process. There is more flexibility in the fee in lieu of assessment. He said that an exemption should be limited to 150 feet if possible. Clerk York summarized that the fee in lieu of assessment would give more flexibility and allow the Village to charge to connect. Attorney Bateman stated that the key is that local governments, like all governments, must have uniform policies. This would be setting the bar for what could be realistically paid by anyone else. Mayor Bundren asked about the charges per linear foot. Clerk York reported that the schedule of fees outlines a $15.00 fee per linear foot water and $25.00 per linear foot sewer which adds up to $40.00 per linear foot. The tap fee is $1300 for water and $1400 for sewer. The water tap is all inclusive, including the tap, the meter box, and the meter itself. The sewer impact fee is $500.00 and the water impact fee is $500.00. The total cost would be $3700.00, plus $40.00 times the frontage amount. If frontage is 150 feet, this would be $6000.00. The grand total would be $9700.00. Mr. Barrett added that if the side frontage was included the total cost would be $13,400.00. Clerk York pointed out that the Board could not vote to allow Mr. Barrett to come into the city at this meeting. This is a different issue. Attorney Bateman agreed that the Board could only vote tonight on the fee in lieu of assessment. Clerk York added the Board could determine the amount of frontage to be charged. Alderman Clemmons made the motion to offer a fee in lieu of assessment and use the frontage on Birch Lane under the standard fee schedule, including the tap on fees for both water and sewer, with the promise that Mr. Barrett will come into the city. Mayor Pro Tem Sharpe seconded the motion. The motion passed unanimously. Mr. Barrett's request to come into the city will be presented to the Board of Aldermen at the next meeting. A professionally surveyed map detailing the property will be required.

There was no other public comment.

Alderman Crouse moved to adjourn and Alderman Gregory seconded. The motion passed unanimously and the meeting was adjourned.

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_____Cathera R. Bundren, Mayor

_____Ben York, Village Clerk