THE FOUR HUNDRED AND FORTY EIGHTH SESSION
OF THE BOARD OF ALDERMAN
VILLAGE OF ALAMANCE
MAY 18, 2015 – 7:00 PM

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

Absent: Alderman Gregory

Alderman Clemmons gave the invocation.

Mayor Pro Tem Tichy moved to approve the April 27, 2015 meeting minutes. Alderman Dan Tichy corrected the minutes regarding Lot #12 of Heritage Glen Phase 5-A. This lot remains with SGRM; it has not moved to D.R. Horton yet. Mayor Pro Tem Tichy moved to approve the minutes, with this correction. Alderman Dan Tichy seconded the motion to approve the minutes, as corrected. The motion passed unanimously.

## OLD BUSINESS

### Report on Cabin Pump Station Project

Mark Reich reported that the contract was awarded, following the special meeting last week. The contract documents have been prepared and sent to the contractor. It usually takes a week to two weeks to get the bonds back from the insurance company. Mr. Reich will ask Attorney Koonts to look over the documents before the Mayor signs them. Mayor Bundren asked how soon the work would start, once the documents are signed. Mr. Reich stated he would issue the notice to proceed, once all the insurance documents are in place. He will have a better idea of when they will start the project, following the pre-construction meeting. Mayor Bundren stated that she would like to request any leftover dirt. She would like that to be fully disclosed at this meeting. She asked if anyone would object to her receiving leftover dirt. Mr. Reich said there would be some dirt excavated from the hole for the dosing tank. Actually, they will be in need of dirt. There may be some less desirable dirt for compaction around the pump station. The Mayor explained she was needing dirt for a property line berm, because of water running into her yard. Mr. Reich assured that he would keep this in mind, should there be any leftover dirt.

### Planning Board Vacancy

Gerald Walters, Chairman of the Planning Board addressed the Board of Aldermen, stating that he has known Shawn Mashburn for more than twenty years. Mr. Mashburn is a graduate of Elon, with a Bachelor of Science degree in Accounting and a minor in Business Administration. Mr. Mashburn is Vice-President and General Manager of a global company, locally here, that does engineering work. Mr. Walters summarized that Mr. Mashburn would be an asset to the Planning Board for the Village. The recommendation was made based on his background, his engineering work, and his capabilities. In addition, Mr. Mashburn lives in the Village of Alamance, in Heritage Glen. Mayor Bundren added that she had attempted to contact Shawn Mashburn, who has recently expressed his interest in serving on the Planning Board. Mr. Walters concluded that he recommended Mr. Mashburn to fill the vacancy. Mayor Bundren added that Sherry Ford's name had also been given for consideration, in filling the Planning Board vacancy. The Mayor asked Ms. Ford if she was interested in serving on the historical board. Ms. Ford expressed that she would be interested. The Mayor asked if Board members had had time to read the letter. Alderman Sharpe asked if Sherry Ford could serve on both the Planning Board and the Historical Board. Clerk York explained that she would be able to serve on both boards; it would not be

considered a conflict of interest. The Planning Board is established by ordinance, as is the historical board. They are both volunteer organizations. Mayor Bundren asked Attorney Koonts about potential for conflict of interest. Attorney Koonts replied there would not be conflict of interest. Mayor Bundren informed that she had spoken to Shawn Mashburn. He was planning to attend the meeting. She explained the Board could hold off on this item, in order to meet Mr. Mashburn. Mayor Bundren asked Clerk York if a Planning Board meeting was needed anytime soon. Clerk York mentioned there may be an application for a variance, but the Board of Adjustment deals with that. The Board of Aldermen acts as the Board of Adjustment for variances. There is not anything coming in front of the Planning Board any time soon. Alderman Clemmons asked Sherry Ford to talk about her interest in the position, beyond the letter. Ms. Ford addressed the Board. She has been very interested in the Village, for years. She grew up in the middle of the Village. She has been very interested in the mill houses, as well as what goes on in the entire Village. She feels it would be nice to represent the original part of the Village. She is concerned about the appearance of buildings in the Village and the desirability of the mill village in the future. Ms. Ford is concerned about keeping things in the original character and original look to the buildings. She spoke of regulations about what is done in the whole Village. She is concerned about planning, as far as any other development, appearance, and guidelines. Mayor Bundren asked the Board if there were any questions. Mayor Bundren tabled this item until a letter could be also received from Mr. Mashburn. He had planned to be in attendance.

**ORC Report**

Arnold Allred was unable to attend the meeting. Mayor Bundren asked if there were any questions about the ORC report. Clerk York noted that 10% of the sewer lines had been cleaned this month, as required by the State.

There was no further Old Business.

**NEW BUSINESS**

**Presentation of Fiscal Year 2015-2016 Budget**

Mayor Bundren explained that the proposed budget being presented for 2015-2016 would be considered at the June 22, 2015 meeting at 7:00pm, at the public hearing. The budget will be available for public inspection at the Town Hall, the Post Office and at the store. She asked if there were any questions regarding the budget. Clerk York reviewed the proposed fees. There is not yet, specifically, a fee for Heritage Glen. Clerk York and Mark Reich are working on that. The question has arisen about charging a fee for the engineering and the inspection work that goes on in the phases of Heritage Glen. The streets, water, and other inspection work are involved. A fee of $500.00 is charged for the water impact fee, along with $500.00 for the sewer impact fee, and a $175.00 fee to set the meter. This totals $1175.00 each time someone applies for a permit. There is also a $15.00 building permit fee. Each time someone applies for a permit to build a home, the fees total $1190.00. Regarding the streets, the Village does not have an inspection fee. Mr. Reich has reviewed costs in Phase 5-A, and estimated costs for Phases 5-B and 5-C. The estimated costs for the various inspections, including water, sewer, streets, etc. total $38.000.00. This is based on the rate of cost for Phase 5-A. If this is divided among the 33 lots that are remaining, this is calculated to be around $1200.00 per lot. There are different ways that towns do this. Some towns don't have any fees for inspecting their streets. Some towns have fees for streets and fees for inspecting the water lines, specifically. Mark Reich added that he had presented the Board with a list of fees that various municipalities charge, back in November. He pointed out that the fee the Village currently has for water and sewer is for capital-type improvements, not so much inspections. He would take this out of the equation. If the Board does wish to start charging fees, as do other municipalities in the area, it could help to recoup a

portion of the costs. Not all municipalities in the area charge fees—some do, some don't. He doesn't know of any municipality, in any case, that charges 100% of what it actually costs. They just charge what they think is a reasonable fee to collect a portion of the money, not necessarily all of it. Clerk York provided the Board with fee information. Elon charges $1.50 per linear foot for water and $2.00 per linear foot for streets. Mr. Reich said it is typically broken out for the type of infrastructure, whether for streets, for water, for sewer, for storm drainage, for water and sewer services, and storm water devices. Burlington takes a different approach from Elon and Mebane. Burlington has inspectors on staff that they pay to do that work. Graham and Gibsonville, on the other hand, do not charge fees. Their philosophy has been to promote building. There will probably be some resistance from the development community, if the Village starts charging some type of fee. Mr. Reich thinks it is reasonable to have some type of fee. Mayor Bundren asked who currently charge fees in this area. Mr. Reich listed Burlington, Elon, and Mebane as the municipalities that currently charge fees in Alamance County. Graham and Gibsonville currently do not charge fees. Mayor Bundren stated that it made sense to try and recoup some of the costs of development. Mayor Pro Tem Tichy added that he would like the Village to be in line with Elon and Mebane. He is not looking to make a profit. Mr. Reich reviewed the fees for Elon. They are per linear foot: $2.00 for streets, $1.50 for water, $1.50 for sewer, $1.00 for storm water improvements, $100 per lot for water and sewer services, $1000.00 per storm water device. Mebane does not have the storm water device fee. Alderman Clemmons remarked that they needed to be careful. The Village is not providing the services that Burlington, Mebane, and Elon are providing. Mayor Pro Tem Tichy commented that he agreed with the fees, except for the $100.00 per lot fee for water and sewer services. He stated that seems more like a tax. Mayor Bundren agreed. Mayor Pro Tem Tichy reminded that the Village already has tap fees and a meter setting fee. The other fee seems gratuitous. The other fees relate to work being done, that is being monitored. Mayor Pro Tem Tichy stated that since they are monitoring the work, they should spend money to make sure it is right. If the funds don't come out of development, it will come out of general revenue. Clerk York explained that they were looking at the linear foot rates. Mayor Bundren added that the storm water device is the responsibility of the developer. The $100.00 per lot fee for water and sewer is the only other one to be deleted. The fees would apply to new developments. Mayor Bundren asked if this needed to be approved now, in order to go into the budget. Clerk York responded that this could be approved at the June meeting. Mayor Bundren asked if a motion was needed to make these fees applicable, so they can be put into the budget. Clerk York replied this was not necessary. Budget numbers can be changed in June. If it is the consensus of the Board to move forward with the fees, Clerk York will forward the numbers out to the Board members, ahead of the meeting. Any changes desired can be made to the budget in June. Alderman Clemmons asked if this would apply to development coming to Heritage Glen. Mayor Bundren and others replied this would apply to the last phases at Heritage Glen. Alderman Clemmons commented that this could be an issue for the developers. They have set their budgets and made their plans. Alderman Clemmons stated he didn't know how he felt about changing the game on them. Mayor Bundren asked if the fee schedule could be made applicable to any new subdivisions, rather than phases. Attorney Koonts responded that the Board has not approved those other phases yet. He recommended that this, when passed, be passed as a fee schedule. It would be hard to project revenue from this the first year anyway. It doesn't really affect the budget, one way or the other. If adopted, it should be adopted as a schedule. As soon as it is adopted, it applies to the next guy that walks in the door. Clerk York observed that the only way to have it not apply to Phases 5-B and 5-C, would be to wait until these are fully developed and officially platted. Then, the fee schedule would be implemented. Alderman Clemmons asked if he was wrong. Several commented in the negative. Alderman Dan Tichy stated that the developers are definitely budgeted out. Mayor Bundren asked what if a new development of 45 acres comes in and they miss the opportunity. Mayor Pro Tem Tichy asked if there could be an opportunity to waive the fees on an existing project, if requested. Attorney Koonts replied the Board had the option to waive the fees. The Board could do that as a matter of policy. Alderman Crouse commented this could open a can of worms. If one developer sees he is blasted with fees, and one is not, this could be questioned. Mayor Bundren asked how many

lots would be in the remaining phases. Alderman Dan Tichy replied that there are 33 more lots. Mayor Pro Tem Tichy asked about the number of feet in streets. Mark Reich answered it was quite a bit. He could take the preliminary plan, and work up the numbers to determine the amount of the fees. He will get this information to Clerk York. Clerk York estimated fees to be $8000-$10,000.00. Mayor Bundren added that when a municipality changes it's fees, it does so, and whoever is caught in the process, pays the fees. Mr. Reich informed there was roughly $10,000.00 in fees that would have been collected in Phase 1, for nineteen lots. Taking out the $100.00 fee for the nineteen lots would leave the total of $8000.00 for this phase. This would be approximately $400.00 per lot. Mayor Bundren asked if there were any other questions relating to the budget. Alderman Clemmons directed attention to the letter. Not much has changed, relating to the overall budget. The Board approved a 2% increase for Clerk York's salary and Judy's hourly wage. There will be an increase in the maintenance of the outfall lines of $1800.00 per year. There is an increase for the meter reader of $960.00. The major item is approving the spending of $505,000.00 toward the gravity feed sewer system. The Village has saved over the years and will use money from the general fund for that purpose. Alderman Clemmons called attention to the life of the budget, on the budget ordinance sheet. The total is $948,000.00. Water will go up 3% to match Burlington's increase. Mayor Bundren noted the change in waste pickup. Alderman Clemmons informed that $4000.00 was added to increase yard waste pickup. Alderman Dan Tichy observed that this was more for peak times, not just May-October. Alderman Clemmons confirmed this was correct. Mayor Bundren asked if they would be obtaining quotes from other services. Clerk York responded that they have had an offer from Waste Industries to extend the contract. He doesn't yet have quotes from others. He has contacted 4 potential companies. He hasn't spoken with Republic, but called and left a message. Alderman Clemmons asked if there were any budget questions. From the audience, Gerald Walters raised a question about recycling. He reported seeing trash and recycling being placed in the same truck. Clerk York reported that he had recently met with two representatives from Waste Industries about this. He observed this a few months ago. At that time, he called Waste Industries and was told they have some trucks they call dual purpose or dual use. Clerk York reported that Waste Industries is not running those kind of trucks now. Alderman Clemmons said the bigger issue is that the service is not what it used to be. They are trying to get some bids, and get a little deeper regarding service. Alderman Clemmons noted that tax rates will stay the same. The Village will be using a large amount of its reserve that has been saved over the years, for the gravity feed system. The Village will still have more than enough funds in place, for what the State requires. The Village will be in a position to rebuild that for the future. Clerk York mentioned that the health insurance rates could change. He has budgeted Legal Services under the General Fund. He has budgeted that at $11,000.00, increased from $7000.00. This combined, with Water and Sewer funds, puts the total at $12,000.00. This is a different schedule from what the Village had before. Attorney Koonts has stated he is fine with the current contract. Alderman Clemmons asked Clerk York to inform them of any substantial changes in the health insurance rate.

**Budget Amendment**

Clerk York referred to the page in the packet. The budget amendment and the Finance Report are on the same page. The CD will not mature until May 28, 2015. The total value of CDs was noted, along with the $7200.00 interest earned for the year.

Regarding the budget amendment, Clerk York has increased Capital Expenditures from $5300.00 to $5500.00. He has added a line item for the fees that Alamance County charges the Village for tax collection. A check is received each month for the taxes collected that month; there is a fee charged that is included. The bulk of the fee is charged at the end of the year. The fee is based on the total amount of collections. This year, $3900.00 was budgeted. The bill is $3350.00. Another $70.00 is needed to pay off that line item. Another fee will be charged in June. With

those items added together, Clerk York explained he was adding $200.00 to the line. The budget amendment increases Capital Expenditures to $5500.00 from $5300.00 and adds $200.00 to the line item for tax collection fees for the County of Alamance. Adding $2300.00 to Legal Services will carry this budget line through to the end of the fiscal year. Under the Water and Sewer Fund, $7000.00 has been added to revenue. This is based on monies actually collected. The remainder represents the amount in Sewer maintenance needed to carry the line item through until the end of the year. Clerk York asked if there were any questions regarding the budget amendment. Alderman Clemmons made the motion to approve the budget amendment with the changes summarized by Clerk York. Alderman Dan Tichy seconded the motion. The motion passed unanimously.

**Finance Report**

Clerk York passed out copies of the Audit Contract. It is within the range of what the Village usually has, about $19,000.00 to $24,000.00. He called attention to the letter and the contract itself. The contract, on Page 5, shows the minimums and maximums for the Village. Only the top two lines apply to the Village. The Village receives just one invoice. Last year, the cost for the Village was about $23,000.00. The price shouldn't be any more than last year. Clerk York explained that this could be approved at the June meeting, as has been done previously. The consensus of the Board was to review the audit contract and consider it at the June meeting.

**OTHER BUSINESS**

Clerk York reported that the walkway at the Town Hall has been pressure washed. Neil Brooks works for Stonewall Construction, and decided to pressure wash the walkway to do something nice for the Village. Clerk York will send Mr. Brooks a thank you note. Mayor Bundren added that she has asked Clerk York to obtain some official thank you notes for instances such as this.

Mayor Pro Tem Tichy made the motion to set the Public Hearing for the 2015-2016 Budget for June 22, 2015 at 7:00pm. Alderman Dan Tichy seconded the motion. The motion passed unanimously.

**PUBLIC COMMENT**

There was no public comment.

Mayor Pro Tem Tichy moved to adjourn and Alderman Sharpe seconded. The motion passed unanimously and the meeting was adjourned.

_____Cathera R. Bundren, Mayor

_____Ben York, Village Clerk