

Walter M. Gardner, Jr.
Mayor

Robert F. Davie
Town Administrator

TOWN OF WARRENTON

"Historically Great - Progressively Strong"

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BOARD OF COMMISSIONERS REGULAR MEETING

MARCH 10, 2014

Those attending were:

Mayor Walter Gardner

Commissioner Palmer "Woody" King

Commissioner Mary Hunter

Commissioner Kimberly Harding

Commissioner John Mooring

Commissioner Tom Hardy

Commissioner Margaret Britt

Commissioner Al Fleming

Robert Davie, Town Administrator

Police Chief Goble Lane

William Perkinson, Public Works Director

Jennifer Harris, Warren Record

There were 3 citizens present.

Call to Order/Minutes/Agenda

Mayor Pro Tem Woody King called the meeting to order, indicating that the Mayor is on an emergency call. Those attending were asked to observe a moment of silence for the life lost in the car accident where the Mayor was assisting. The Pledge of Allegiance was led by Commissioner Britt.

Public Comments

Robert Schuerch offered comments in two areas.

1. Several weeks ago Mr. Schuerch suggested putting power lines underground to the Town Administrator. Understanding there is no money in the budget for such a project, he suggested a 2% local option sales tax to raise funds. He estimated that \$150,000 could be raised in a short period of time, based on information provided in the STMS report. If the STMS report was correct and \$28,000,000 was spent in Warrenton annually then 1% would generate \$280,000, well more than the \$150,000 needed. The tax could sunset once the project is completed. The figures show the average citizen shopping in Warrenton would pay 4.5 cents per day in taxes. He asked the BOC to ask the Town Administrator to investigate such an option.

2. Regarding the parking situation, Mr. Schuerch suggested that the Town purchase a "boot" to attach to the wheels of repeat parking violators. It was quickly noted by several Commissioners that the boot was already under consideration and review.

Consent Agenda

The Consent Agenda was presented.

A. Minutes of Board meeting February 2014

B. Year-to-Date Revenue and Expenditure Reports (Budget vs. Actual)

C. Monthly Checks Report

D. Public Works Monthly Report

E. WWTP Monthly Report

F. Police Report

After public comments the Proposed Agenda was presented, changes to the minutes from the February BOC Meeting were made by Commissioner Harding. A closed session was added to the end of the Agenda. A motion to accept the Agenda was made by Commissioner Mooring and seconded by Commissioner King. The motion was approved by a unanimous vote.

Presentation by UNC School of Government Representative

Will Lambe, Director of Community and Economic Development Program at UNC's School of Government discussed the proposal to provide a way to utilize historic tax credits for the renovation of old Town Hall. Using the example of a public-private partnership in Morganton, NC, Lambe described how tax credit equity was used to bring the cost of redevelopment down significantly. A similar structure for Town Hall, utilizing State and Federal historic tax credits, would reduce the cost by 30-40%. Not a simple legal and financial structure, the necessary plans must be put in place on the front end. By not accounting for all interested parties up front, Morganton demonstrated the pitfalls to avoid. The up-front costs to develop the plan for Warrenton Town Hall would be \$7500. The Town will have to convey the building to a private entity for the tax credit recapture period. A buy back may or may not be necessary. There are multiple ways the town can control the property while credits are taken. The structure will dictate how the town maintains control. UNC SOG has been involved in several dozen similar projects.

Commissioner Mooring asked for an example scenario, stating that the current renderings for Town Hall call for a 3-story plan. Mr. Lambe replied that the pro forma the SOG would develop would reflect conservative financial assumptions, then layer in tax credits, then determine how other partners or the Town would pay for the balance of the renovation.

Mooring asked about a typical tax credit investor. Lambe stated they are persons with high income and taxes to offset the tax credits. Because credits are taken over a five year period, they are discounted to investors at the rate of 94 cents and 84 cents to the dollar for federal and state credits respectively. The complex nature of such transactions with investors results in a fee of \$25,000 by the SOG, but in the case of Warrenton it would be \$7500, a reduction subsidized due to the Tier 1 status of Warren County.

Mooring asked if the plan would cost the town \$7500. Lambe stated that it would and that the deliverable would provide a financial model and all the materials needed to work with investors and make a decision. Carrying costs would be part of the project and born by the LLC created for the public-private partnership. Development fees are considered project costs. Any new project has operating costs and the deliverable will include all carrying and operating costs for example: selling the building, construction costs for years 1 and 2, carrying costs for years 3, 4 and 5, how the town retains the building, etc. With the up-front deliverable the Town BOC will have the information to make an educated decision for going forward.

Mooring asked if the Town maintains ownership of the building. Lambe responded that the reason for paying the analysis up front is to figure out the best structure for the town and minimal financial risk for the Town.

Mooring asked if UNC would assist the Town in finding private partners. Commissioner Britt stated that it was a lot to think about. Commissioner Harding asked about options at the end of the five-year recapture period. Lambe replied that they would lay out the options up front for the eventual purchase price of the Town Hall. Town Administrator Robert Davie inserted that the Town was not incurring any of the development costs until the building was purchased or acquired at the end of the credit recapture period, and at that time the price would be net of the credits taken. Commissioner Harding stated that would give us time to save up some money. Mayor Gardner stated that the BOC could consider working out the financing. Lambe stated that 98-100% of towns finance buildings without tax credits and bear the full brunt of development costs. By utilizing UNC SOG the Town would minimize the development risk that most towns incur developing on their own.

Mayor Gardner asked about the timeframe to complete the deliverable. Lambe replied two or three months. Gardner asked about the sunset of NC tax credits. Lambe indicated that most believe that the legislature will extend the state credits with modifications. The current state credits expire on December 31, 2014 and a Certificate of Occupancy would be needed by that date to qualify for credits. Investors would be less interested in the credits if the date were not extended.

Mooring inquired of the Town Administrator if \$8000 was available in the current FY budget. Davie replied no. Lambe indicated that the UNC SOG could be flexible in its billing if the Town wanted to move forward with work and pay out of the next FY budget. The price would be the same either way.

Harding asked about the IRS code that limits government use of the building to 35% during the recapture period. Lambe replied that 35% is a limit. Mooring asked about more answers before paying for \$7500 in fees. Lambe replied that the purpose of the deliverable is to answer all the questions and that the questions cannot be answered in isolation. Harding asked about leasing the building. Lambe said that UNC could put together a set of tenants thereby diluting the town's risk.

Mayor Gardner thanked Mr. Lambe for his information and Commissioner Mooring for his questions.

Committee Reports

Finance and Administration

Commissioner Hunter stated that the Finance Committee had met on Friday, February 14, 2014 at Town Hall to review the application process for revolving loans and to hear recommendations from Rick Seekins, former manager of the Kerr-Tar revolving loan fund (RLF). Hunter indicated that Seekins was extremely helpful with suggestions for improving the RLF process. Hunter summarized the recommended changes:

- Use a complete, not partial, financial statement form, used by BB&T
- Require Key Man life insurance for borrowers
- Add a local entrepreneur to the committee
- Expand and develop other criteria for application review

Hunter indicated that Seekins will assist in locating additional funds to expand the RLF and to include the C-2 zoned district as well as the current C-1 district. Hunter made these recommendations in the form of a motion to be adopted by the BOC. A second from Commissioner Mooring was made. The motion was approved by a unanimous vote.

Commissioner Fleming stated that the Town is not a regulated lender and so it is allowed to put additional requirements on the application process. Fleming further stated that the purpose and intention of the RLF is to not compete with local banks.

Hunter also stated that work is being done to restart the 5:30 whistle. Also that staff is still working through issues with FMS financial software.

Mr. Davie explained several overages in the current budget, highlighting lines: 37-400-020 which will be reduced once changes are made to 37-400-021, 37-400-080 which includes two classes at the UNC SOG, 37-400-205 which includes Uninterrupted Power System purchases for unprotected computer assets, 37-400-295 which does not reflect reimbursement of \$1600 for scholarships to UNC SOG Essentials class for four commissioners.

Public Works

Commissioner Harding highlighted updates to the WWTP and Public Works Memos showing the additions of ongoing needs and plant operating challenges. The "Future Needs" section will make commissioners aware of project needs, eliminate surprises and highlight areas where funds are not budgeted. Harding inquired about mapping the water lines. Mr. Perkinson indicated that the map is required and requested each year by the State, but that the State has allowed the Town time to get it accomplished. The map should show water lines, line sizes, hydrants, etc.

Commissioner Mooring asked if the water map was different from the sewer map. Perkinson replied that it was different. Mooring asked if the Town would use the same engineer to perform the work. Perkinson indicated yes. Mooring asked the cost of the map. Perkinson estimated \$50,000. Mr. Davie indicated that grant funds were no longer available from the Rural Center for such mapping projects.

Harding asked about the final work on the sewer rehab project along Harris and Crockett streets. Perkinson stated it would take another two to three weeks to complete. Mooring asked if the project would include curbing. Perkinson replied curbing along the top portions of the street only. The road is temporarily closed to through traffic. Harding thanked the Public Works department for the sidewalk and road-clearing work during the recent snow storms.

Public Safety

Commissioner Hardy indicated that the Public Safety Committee had met to discuss ordinances and parking fees but that no concrete decisions had been made. There were no major safety incidents to report from the prior month.

Mayor Gardner indicated that the Fire Department was preparing for inspections of the Town during August. It hoped to maintain or improve the current fire ratings. Gardner mentioned the terrible automobile accident in Arcola where an 18 year old lost her life.

Human Resources/Information Technology

Commissioner Fleming outlined HR activities ongoing at the Town:

- Salary survey is progressing.
- HR policy is being updated and will be reviewed by Mitch Styers prior to coming before the BOC for approval.
- Employee job descriptions were nearing completion. The HR work being done was needed for a long time and he is pleased it is occurring.
- A prized employee, Bettie Davis, is retiring April 1, 2014. She will be sorely missed.
- Robert Davie is interviewing persons to fill Bettie's position as well as Adrienne Boyd's position. Funds are available in the budget to allow for overlap of employees and ensure a smooth transition in the Finance Department, due to unused funds for Sonya Sikes.
- Chief Lane has made two new hires, one full-time, one part-time.

Chief Lane described David Ward was hired to work the roads, having worked at the Town before. A part-timer with 10 years of experience will help out on weekends. She is in "paid reserve" status.

Commissioner Harding asked if HR Essentials was providing salary information for the upcoming budget process. Mr. Davie replied that they were. Commissioner Fleming indicated that issues remain with FMS software. Davie indicated that Southern Software would come to Warrenton Town Hall and train new employees on FMS. Commissioner Mooring asked if the town had received concessions for the software issues. Mr. Davie will seek concessions.

Mayor Gardner announced the retirement party for Bettie Davis on March 20, 2014 from 4:00 to 6:00 at the fire station. Gardner thanked Davis for her many years of service to the town and her willingness to fill in after her retirement. Gardner stated she has been a fixture at the Town through five different town administrators.

Revitalization/Historical

Commissioner King stated the Revitalization Committee has earned \$2398 and spent \$2400 of its current \$3500 budget. King stated that the Christmas Parade was scheduled for December 13, 2014 at 5:00 and the rain date would be the following day at the same time. The Jaycees will sponsor the parade and the Town will host the parade for insurance purposes. Springfest is scheduled for April 26, 2014. Sound and music has been arranged with three bands performing. Two sponsors will contribute \$500 each: Duke Energy and Halifax Electric. Vendor applications have been sent and applications are available at Town Hall or at Futrell Pharmacy. Small Town Main Street awards are scheduled for April 1 in New Bern. Attending will be Commissioners King and Harding as well as Mayor Gardner and Robert Davie.

Michael Coffman is being recommended to the BOC to fill a vacancy on the Revitalization Committee. Michael is the son of Dr. Coffman and Cheryl Coffman. As a recommendation from the committee, King motioned that Coffman be appointed to Revitalization. Margaret Britt seconded the motion. The motion was approved by a unanimous vote.

The Historic District Committee (HDC) met regarding a Certificate of Appropriateness application for the Presbyterian Church on N. Main Street. The roof has sagged and must be fixed. Mr. Davie indicated he had received the engineer's report and construction contract as required by the HDC and that all was in good order.

Commissioner Hunter announced the Preservation Warrenton Tour of Homes on Saturday and Sunday April 26 and 27 in the Inez community.

Mayor Gardner asked about the Wounded Warriors event. It will be held on April 12 at 8:00 AM. Chief Lane indicated it would be the same route as last year and that golf carts had been arranged. Interested participants should talk to Sandra Williams at Awesome God bookstore.

Beautification/Facilities

Commissioner Britt thanked public works personnel for shoveling snow. Britt asked that green wood chips be removed from planting areas prior to crape myrtles being planted. Commissioner King noted that liriope had been saved as had flowers from the planters along Main Street. Mayor Gardner asked if planters on the courthouse side would remain. A discussion followed and commissioners agreed the planters should be removed. Commissioner Britt asked if Commissioner Harding could contact the Little Garden Club about giving them back the plants.

Planning/Zoning/Annexation/Parks

Commissioner Mooring stated that he was working on the contradictory ordinances relating to broken windows. Mooring also indicated that the Memorial Association of Warren County would like to restore headstones in the Warrenton Cemetery. All costs and labor would be borne by the association. Old stones would be re-carved or placed within new stone material and carved. Commissioner Mooring volunteered to supervise the work. Commissioner Fleming motioned to approve work done by the association. Commissioner Hardy seconded. The motion was approved by a unanimous vote.

Old Business

In old business, the Town Administrator reported on eBay sales of surplus items from Dr. Holt's office. Receipts after commissions and fees approximated \$350. Additional items remain to be sold on eBay. Also, the Plummer Hook and Ladder Museum association has been registered with the State and a tax id obtained. Non-profit status is being sought.

New Business

Town Administrator Davie outlined an unplanned loan closing cost passed along by Warren County for the treatment plant rehab. The Warrenton share approximates \$7482.00. Funds are available in the Public Works reserve funds account. Commissioner Mooring motioned to approve expenditure of the funds from reserve, with second from Commissioner King. The

motion was approved by a unanimous vote. Davie outlined the need to change the fees for twice-weekly pickup of garbage from approximately \$400 per month to \$100 per month. Mayor Gardner asked if the schedule could be worked out with personnel. Mr. Perkinson indicated that the additional day could be combined with pickup of cans along Main Street. Davie indicated that \$100 would be in addition to the \$26 current fee for weekly garbage pickup. Commissioner King motioned to adopt the new \$100 fee and Commissioner Mooring seconded. The motion carried by a unanimous vote. Mr. Davie asked the BOC to schedule a second hearing for the grant application to NC DENR for sewer rehab. The hearing was set for March 24th at 5:30 at the Warrenton Rural Fire Station. Commissioner Harding motioned to set the date and Commissioner Hardy seconded. The motion passed by a unanimous vote.

Announcements

Mayor Gardner handed out certificates to commissioners and Town Administrator for completion of the Essentials of Government class held at UNC SOG. Mr. Davie announced the Kickstarter.com crowd-funding speaker on March 25th at the library.

Adjournment

A motion was made by Commissioner Fleming with second by Commissioner Hunter to move into closed session to discuss a personnel matter. The motion carried with a unanimous vote. After a closed session, a motion to adjourn was made by Commissioner Mooring with second by Commissioner Fleming. The motion carried by a unanimous vote.