

## **SPECIAL MEETING, MONDAY, JANUARY 14, 2008**

The Hope Mills Board of Commissioners Special Meeting was called to order at 12:30 pm by Mayor Dees.

Commissioners Luther, Maynor, Gorman, Warner and Collins were present.

Others present were Town Manager Randy Beeman, Chief Building Inspector Mike Bailey, Finance Director Jeff Saleeby, Human Resources Administrator Kimberly Lockamy, Stormwater Administrator Melanie Clerkley, Public Works Director Bruce McLaurin, Fire Chief Chuck Hodges, Deputy Fire Chief Steve Lopez, P&R Director Stan Braswell, and Lt. Joel Acciaro, representing the Police Department.

### **1. ANNEXATION PRESENTATION BY MR. MATT ROONEY, CUMBERLAND COUNTY PLANNING DEPARTMENT.**

Mr. Rooney gave a power point presentation on the Town's authority to annex, briefly reviewed voluntary annexation contiguous, voluntary annexation satellite, and the seven step process for involuntary annexation. Mr. Rooney noted the map and resolution for area of consideration adopted by the Board on November 7, 2007, and pointed out this did not commit the Town to annexing these properties but clarified areas under consideration for possible future annexation. Mr. Rooney displayed a map identifying areas where the Town has entered into Water and/or Sewer Annexation Agreements. In addition, Mr. Rooney commented concerning the Annexation Agreement adopted in 1999 between the City of Fayetteville and the Town which will expire in 2009.

A discussion ensued relative to procedures for annexing the donut holes within the town limits.

Commissioner Luther commented there were several areas within the town limits that were not a part of the town, and stated she thought it would be in the best interest of the Town to proceed with annexing these areas as they received town services and it was not fair to the other residents.

Mr. Rooney said it was his opinion the Board should establish this as their first priority.

Commissioner Collins concurred with Commission Luther and said the Town needed to proceed on these annexations.

Commissioner Warner expressed concerns there were neighborhoods near where she lived that were also not in the town limits and thought the Town should consider these also.

In response to a question from Mayor Dees, Mr. Rooney said most of the area along the Hope Mills Bypass was undeveloped would not meet the standards for statutory

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involuntary annexation.

Mr. Beeman offered staff would identify the various donut holes and bring information to the Board for consideration.

Mayor Dees emphasized this was a matter of concern regarding proving public safety services.

**It was Board consensus for the Manager to provide information to the Board as stated.**

### **2. PRESENTATION DRAFT CAPITAL IMPROVEMENT PLAN (CIP) BY FINANCE DIRECTOR JEFF SALEEBY.**

Mayor Dees asked the Board to offer suggestions and input to the Finance Committee on the proposed CIP. He asked that this be given to Commissioner Gorman or Commissioner Luther as the CIP should be in place sometime in May and hopefully before the next budget is adopted.

Mr. Saleeby presented the draft CIP and stated the Capital Improvement Plan was essential in planning for the future needs of the Town so essential services can be provided to the citizens in the most cost efficient way and at the same time preserve a sufficient fund balance (8% at a minimum required by the Local Government Commission) in case of emergency. In addition, Mr. Saleeby noted the Town currently has 29% (\$2,248,171.00), based on the most recent audit less the amount used for the 2007-2008 budget amendments in undesignated fund balance. He recommended the Board adopt a policy on how much undesignated fund balance it wanted maintained for emergencies. Mr. Saleeby commented the draft CIP as proposed amounted to \$5,306,634 for the next five budget years and did not include personnel.

A brief discussion was held regarding undesignated fund balance.

In response to a question from Mayor Dees concerning percentage needed to budget for the CIP, Mr. Saleeby noted the LGC suggested 20% total.

Following additional discussion, Mayor Dees stated the Finance Committee needed to meet since all departmental requests have now been received and to further discuss funding the CIP. Mr. Saleeby suggested the committee meet around the first of February.

**A consensus was reached for the Finance Committee to meet on January 22<sup>nd</sup>, 6:00 pm - 7:00 pm.**

Mayor Dees commented a recommendation on the CIP would be forthcoming from the Finance Committee sometime in February.

### **3. DISCUSSION COMMERCIAL SANITATION.**

Jeff Saleeby, Finance Director, presented an analysis for the Town of Hope Mills commercial garbage pick up. He said the Town was losing money on the commercial side of sanitation and the manpower alone was costing the Town \$44,097.21, tipping fees average \$1,000.00 per month, cost for 14 cans is \$7,332.00, and gasoline, repairs, etc., is costing the Town \$20,000.00. Mr. Saleeby stated it was his recommendation that the Town discontinue commercial service.

Mr. Bruce McLaurin, Public Works Director, stated now was the time to make a decision on the commercial garbage pick up.

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In response to a question from Mayor Dees, Mr. McLaurin said the commercial crew consists of one truck, one driver and two employees.

Mayor Dees noted that with the growing population, the Town was doing more and more back door pick-ups and this was very time consuming as well.

Mr. McLaurin stated in 2004 a job position was created for a Sanitation Supervisor. He said this is the only change in the number of employees for this department since 1992, and in spite of the continuous growth in our community, we are operating with the same number of employees.

Mayor Dees said we already have a situation where one apartment complex is not pleased with the commercial pick up, because of vacancies from time to time. He said there is a new 300 apartment complex being built and we have done away with the big commercial containers pick up. He said that has helped, but it has not completely solved the problem.

Mayor Dees said another problem is when someone is billed, and they do not pay, we have no choice but to take them to civil court to collect, and that is something we have not done in a long time. He said not only is the Town losing money on the ones we are picking up, but if everyone was paying the Town would still not be making money.

Mr. McLaurin said if the Town decides to discontinue with the commercial garbage pick up, then he would need to give notice informing the customers when the Town will pick up the trash cans after the grace period.

Commissioner Warner expressed concerns with the family type businesses located in the Town. She said she did not know what type of incentives the Town has for new businesses to locate to Hope Mills and she felt the commercial service was important.

Mayor Dees said if the Town continues to provide commercial service then we need to set the rates where the Town will not continue to lose money. He stated the residential customers are paying the difference basically for the commercial service, and the Town either needs to do away with commercial pick up or the Town needs to adjust the commercial rates so that the Town will not continue to lose money on commercial garbage pick up.

In response to a question from Commissioner Collins, Mr. Saleeby said the Town was losing approximately \$12,000.00 in uncollected garbage fees.

Commissioner Maynor expressed concerns with the Town losing money. He briefly discussed the draft of the general fund revenues summary. He said if the Town does away with the commercial pick up, how will the Town replace those revenues, even though it is taking a loss now.

Mr. Saleeby stated that from the Public Works Department stand point, if you run more efficiently you will save money in the long run by reducing your expenses.

Commissioner Warner stated if the customer did not pay then do not provide them the service. She said they should be given a warning that says if you do not pay your bill by this date, then it will not be picked up, and they would have to contract with someone else to pick it up.

Mr. McLaurin said he agreed with Commissioner Warner, but for the last year they have received garbage service, so the Town will still lose out in the end.

Commissioner Warner said if they do not pay the bill, then do not pick up the

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garbage and then you are not wasting money. She said we need someone doing the billing and following up, so if they do not pay, the service stops.

Mayor Dees expressed concerns with the customers that would not contract out to have the garbage picked up if the Town stops service.

Commissioner Collins said he concurred with Commissioner Warner, and said this has been going on for years not just for garbage, but citations also. He said it appears to him that the Town has a billing problem.

Commissioner Gorman said he concurred with Commissioner Warner also, and asked if the billing could be added to the tax bill.

Mr. Beeman stated from a tax stand point and enforcement, some of the business owners do not own the real estate and therefore they are very limited in the aspect of collecting or enforcing some of those fees.

Mayor Dees said the real estate owner would have to charge the renters additional rent to pay for the garbage pick up which would be on their tax bill.

In response to a question from Commissioner Collins, Mr. Saleeby said even if the fee was placed on the tax bill, the Town would still be losing money.

Mayor Dees said the Town would still need to raise the fees even if it was collecting 100% of the bills.

Commissioner Luther expressed concerns with the cost of the second cans.

Commissioner Warner said she believes the Town needs to investigate the billing and why the bills are not being paid. She said if you do away if it, you are doing away with a service that some people are not going to want to go out and contract. She said many businesses have one trash can, which would be the same as a resident, and why should the commercial business have to pay more than a resident would have to pay.

Mayor Dees stated the difference in billing is the commercial service has to pay a tip fee and the resident do not. He said the tip fee on the commercial garbage is the difference in price not the can.

Mr. Saleeby said he sent out late notices saying if you do not pay your bill, this is what is going to happen. He said this was a big issue due to health concerns and trash piling up.

Commissioner Maynor said the tipping fees in conjunction with billing is where the Town is getting this big loss.

Mr. Saleeby stated the tipping fees are a big part of the loss. He said it is approximately 20% of the expenses.

Commissioner Maynor said he would like for the Finance Director, Public Works Director, and the Town Attorney to look into what the Town could or could not do about this matter. He said as stated earlier, some of the commercial businesses may not even be throwing refuse in a can and the Town employees are having to pick it up.

Commissioner Maynor said the Town needed to look and see what the possibilities were of adjusting the commercial rates, and also he did not think the Town should put a bind on the Town employees, and the residents should not have to absorb the cost of the tipping fees.

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In response to a question from Mayor Dees, Commissioner Maynor said in his case as a business owner the commercial pick up is furnished by the landlord.

Mayor Dees asked if it was the recommendation of Town Manager, Finance Director and Public Works Director to do away with commercial garbage pick-up.

Public Works Director Bruce McLaurin, Finance Director Jeff Saleeby and Town Manager Beeman all agreed to do away with the commercial pick-up.

Commissioner Maynor suggested that a study on the tipping fees should be done and the information brought back to the Board for further discussion.

Commissioner Warner said she thought the commercial businesses could negotiate with the Town on their own, but you will also be negotiating as one. She said what you have now is if you are going to set the tipping fee and add it to the commercial businesses, you are going to have to do it to everyone, and the Town will get a better rate that way.

**Commissioner Gorman made a motion to form a committee to study this matter and bring back an alternate recommendation to the Board at the February 4<sup>th</sup> regular Board meeting. Commissioner Collins seconded the motion.**

Commissioner Maynor thanked the Town Manager, Mr. Saleeby and Mr. McLaurin for bringing their recommendation to the Board, and said he concurred with them. He said the Town did not want to operate losing money and it did not want to operate with it being a burden on the back of the taxpayers, but at the same time if we could come up with something that we can break even or make money, then that would be great.

Commissioner Collins made a recommendation to the Manager concerning the people that were not paying the bills, and said we need to cut them off and get the money coming in.

**The vote on the motion was unanimously carried.**

**At 1:55 p.m., Mayor Dees called for a 15 minute break.**

#### **4. PRESENTATION PRIVILEGE LICENSE TAXES BY FINANCE DIRECTOR JEFF SALEEBY.**

Mr. Saleeby stated the City of Fayetteville bases its privilege license tax on gross receipts for retail merchants such as Wal Mart, Lowes, Target, etc., wholesale merchants, and service establishments. He reported the Town currently collects privilege license tax as established by the North Carolina General Statutes and as outlined in the publication by the Institute of Government, *North Carolina City and County Privilege License Taxes*, by William Campbell. Mr. Saleeby said for the year ended June 30, 2007, the town collected \$17,000 in privilege license taxes, and further stated the Town would obviously benefit from adopting a privilege license fee based on gross receipts method.

In response to a question from Mayor Dees, Mr. Saleeby said if the town adopted this method, it could possibly expect triple digit fees as opposed to what was collected now.

Mayor Dees said this could be another revenue source for the Town and could be made effective the next fiscal year. Mr. Beeman noted privilege license taxes were not earmarked for a specific use and basically went directly into the general fund.

Commissioner Warner asked if the Town was collecting from everyone, and if not, what was the follow-up and collection procedure if these taxes were not paid. Mr. Saleeby responded the town could close the business because without a current privilege license, the business would be operating illegally. Commissioner Warner expressed concerns that

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she did not want to do anything to hurt the small business owners.

**Commissioner Collins made a motion for staff to further research this matter and provide recommendations to the Board to be effective July 1<sup>st</sup>. Commissioner Luther seconded, and the motion carried unanimously.**

### **5. DISCUSSION POSSIBLE ADDITIONAL REVENUE SOURCES.**

Mayor Dees remarked he had spoken with Rep. Glazier and Rep. Brisson concerning a hotel occupancy tax and stated municipalities can enact these taxes with special legislative approval. Mayor Dees reported the occupancy tax must be earmarked for a specific use. He suggested the Board decide if it would like to ask the legislators to introduce this bill at the next session.

Commissioner Luther said the Town needed to look at its infrastructure, such as Fire Department, Police Department, garbage service, because by 2011 it was projected an additional 27,000 people would be coming to Cumberland County due to BRAC.

Commissioner Collins suggested the tax be earmarked for police, fire, and sanitation. Mayor Dees reiterated a specific reason must be identified, such as a facility. He stated the town was outgrowing its public works area and would need a new location and facility in the future.

Commissioner Maynor remarked he felt this tax would be a good way for some additional revenue as the property owners had all the burden on them that they could stand. He said he supported looking into this as an additional revenue source.

**Commissioner Collins made a motion for additional study and information with recommendations to be brought back to the Board. Commissioner Maynor seconded, and the motion carried unanimously.**

### **6. DISCUSSION CIVIL CITATIONS.**

Mr. Beeman presented information in the agenda packets on the issuance of civil citations, and noted from 2001 through December, 2007, there was an outstanding unpaid total dollar amount of \$10,450.00. He recommended the town seriously consider structure of penalties and infractions based on general statute enforcement and move away from the civil penalties where appropriate.

Mayor Dees stated the Town has a civil citation problem. He said the Town has issued a lot of civil citations for public safety that has gone unpaid.

Mayor Dees briefly discussed the fines, and commented to his understanding, the Town Attorney was asked what the Town needed to do to collect on the civil citations, and his comments were it would cost more to pay him to prosecute those citations than it would be to collect them.

Following additional discussion, **Commissioner Gorman made a motion for the Manager to provide ordinance amendments and related fee schedule to address the Fire Prevention codes fees and enforcement. Commissioner Maynor seconded, and the motion carried unanimously.**

**Commissioner Warner made a motion for staff to study, provide legal opinions, and make recommendations on civil citations and related fee schedule matters. Commissioner Gorman seconded, and the motion carried unanimously.**

Commissioner Maynor emphasized the immediate involvement of the Town Attorney

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was required.

### **7. OTHER DISCUSSION TOPICS.**

#### **a) Beautification of Lake Park area.**

Mayor Dees stated the Board had previously discussed improving the lake park area. He said the town should not wait until the last minute to evaluate and plan the enhancement of the lake park area. Mayor Dees mentioned replacement of the bulk head, a possible solar powered water fountain, donation of swings, benches, etc. in memory of individuals, and a general beautification of the lake park area.

Commissioner Gorman said he thought a good starting point would be to get the Appearance Committee involved and ask for their recommendations. Commissioner Collins concurred, and also asked the Mayor's input as he had been an advocate of the lake.

Mayor Dees said replacement of signs at the lake, fee schedule, lake park attendant, etc. should be addressed as well. He suggested a group needed to make some recommendations for the planning process.

**Commissioner Gorman made a motion to appoint a committee composed of a representative from the Quality of Life Committee, Appearance Committee, Parks & Recreation Advisory Committee, Friends of the Lake, Chamber of Commerce, and a representative from the Town Board to make recommendations on enhancing the lake park area. Commissioner Collins seconded the motion and recommended Mayor Dees represent the Board on this committee. The motion carried unanimously.**

It was Board consensus for Mayor Dees to chair this committee.

#### **b) Discussion Skateboard Park.**

Commissioner Gorman stated the Board had previously set aside \$25,000 for a skateboard park. Commissioner Gorman briefed the Board on his research from other municipalities on skate board parks and noted his findings were that a skateboard park should be concrete and not asphalt and could cost anywhere from \$60,000 - \$250,000. Commissioner Gorman said he realized the Town could not afford this large of an expenditure at this time, but stated he would like to see kids have something to do. He said if the \$25,000 was not going to be used for a skateboard park, then he felt it should be used in another area that needed it, such as the Fire Department.

P&R Director Braswell stated he had experience with skateboard parks from the municipality where he was previously employed. Mr. Braswell recommended a committee study usage, location, staffing, etc. and bring recommendations to the Board. He said he had traveled all over the state, and skateboarding was a great sport activity for kids. Mr. Braswell said basically a skateboard park would cost a lot of money and noted the one he was familiar with cost approximately \$93,000. Mr. Braswell recommended a design be developed with specific hours of operation and that the facility be fenced and gated. He recommended that the facility not be open all the time and it should be appropriately staffed.

Mr. Beeman said his experience relative to liability insurance coverage from a previous municipality was that a skateboard park would increase the liability insurance premium by a minimum of \$500.

**Commissioner Gorman made a motion for the P&R Director to study establishing a skateboard park and bring recommendations to the Town Board.**

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**Commissioner Collins seconded, and the motion carried unanimously.**

Commissioner Collins remarked skateboarding was here to stay and kids needed a place to go.

**c) Discussion on panhandling.**

Commissioner Warner stated she had three citizen complaints about people trying to get money from citizens around the Trade Street businesses and in the shopping center at Carlie C's. She noted the City of Fayetteville was currently considering this matter and asked if there was something the Board should do to address this concern. Commissioner Warner stated she had personally experienced this and expressed concerns for the safety of the citizens.

Lt. Acciardo stated the Police Department responded when contacted and some individuals had been arrested on several occasions. Lt. Acciardo asked that the police department be contacted and they would respond whenever possible.

In response to a question from Commissioner Collins, Mr. Bailey stated buildings could not be legally occupied without electricity and water and sewer. Deputy Fire Chief Lopez noted a recent fire which destroyed an outbuilding behind a property on Trade Street which was caused by a lit candle. Fire Chief Chuck Hodges noted he understood the individual occupying this outbuilding had lived there three years with the permission of the property owner.

Commissioner Luther said she had been fighting a similar situation as someone had been living in a tent near her house for sometime and there was nothing that could be done because the property owner allows it.

Commissioner Collins said the homeless was a sad situation all over the country.

Commissioner Luther commented the citizens had rights as well.

Commissioner Warner noted most of these individuals wanted money and not food.

**d) Pay and Classification Study.**

Mr. Beeman reported he had obtained two proposals for a pay and classification study which he would present to the board on January 22<sup>nd</sup> for consideration.

**8. ADJOURNMENT.**

At 3:23 p.m., upon a motion by Commissioner Gorman, seconded by commissioner Luther and unanimously carried, the meeting was adjourned.

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EDDIE DEES, MAYOR

ATTEST:

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Phyllis C. Register, MMC, Town Clerk