

TOWN OF BAILEY

The Regular Meeting of the Bailey Town Board was held in the Bailey Town Hall on June 12, 2017 at 7:30pm.

The following members of the Bailey Town Board were present: Commissioners Howard Wescott, Allen Daniels, Troy Conner and Jerry Bisette, Mayor Pro Tem Shelley Carroll and Town Administrator Timothy Johnson.

Called the meeting to order:

Mayor Pro Tem Carroll called the meeting to order and opened the meeting and welcomed all guest who were attending the meeting,.

Approval of minutes and financial statement:

The financial statement for May 2017 and the minutes for the Regular Board Meeting & Public Hearing Regarding a Zoning Text Amendment of May 2017, were unanimously approved upon a motion by Commissioner Wescott and seconded by Commissioner Bisette. (5 affirm); (0 nays)

Agenda items:

Phil Thomas -Masonic Hall in Bailey; Mr. Thomas stated that he was the Treasurer for the Masonic Hall and that he never received a bill and was here at the regular meeting to discuss the \$20.00 penalty that had been applied to the bill because it was considered past due because he doesn't live in Bailey but lives in Wilson. Administrator Johnson stated that the only thing he told Mr. Thomas was that he did not have the authority to waive penalties that are applied to the utility bill. Mayor Pro Tem Carroll asked is that was the late fee and Administrator Johnson advised yes it is the late fee. Administrator Johnson continued on to say that he told Mr. Thomas to contact our Water/Sewer Commissioner and Commissioner Conner advised me to place Mr. Thomas on next months agenda. Administrator Johnson advised that the Board of Commissioner is responsible to directing the administration on how it is to handle penalties and what authority it is given to adjust those fees. Commissioner Conner made a motion to waive the \$20.00 penalty for the Masonic Hall and Commissioner Daniel seconded it and it was passed unanimously. (5 affirm); (0 nays)

Cecil Rhodes – Envirolink Water & Sewer Rate Study Findings; Mr. Rhodes presented his findings after a request was made by Administrator Johnson and also due to the scope of a project regarding our filtration systems at both wells. Mr. Rhodes advised the Board on the cost of service for the filtration project and debt service that would be needed to cover that cost and future operation cost. Then Mr. Rhodes wanted to discuss current rates and the need to adjust those rates based on current operating expenses and projected expenses over a defined term. Mr. Rhodes began by stating that he has worked with public utility companies for over the past 30 years. Mr. Rhodes continued to state that he was currently working with Envirolink and that the service he was providing to the Town of Bailey was currently offered under the contract package that the Town of Bailey has with Envirolink. So after looking at the 2015 – 2016 audit for the Town of Bailey Mr. Rhodes began working with Town staff. Mr. Rhodes advised the Board that one of the key financial items that he has to consider is not only the operating revenue and expenses but also the impact of depreciation. Mr. Rhodes stated that this is money that sits there because small towns like Bailey if their rates are set correctly they get a little money in the bank but that when depreciation is added in you get the figure of this is the value of your system because it went down due to depreciation being in place. Mr. Rhodes said that after reviewing all of the data he determined that the Town of Bailey had covered 30% of its depreciation in their rates. He stated that was a very good effort and based on this his recommendations would not increase nor decrease funding for depreciation but keep it static at 30%. The only other assumption that he made was that the Towns operating expense would increase by 2.5% year over year. The analysis is designed to deliver information for the Town over the next ten years however what was being presented was for the current year only but that it could be expanded if need be. Mr. Rhodes stated that it was to help aid the Town in its decision on how it should operate its system without any changes to policies. With that being stated he advised that in order to cover the 0% principal loan from the State of NC in the amount of \$234,000 in a 15 year loan would need to increase by \$3.95 per month. This amount was based on

current customers on the system. It would be less if you had more customers and more if you had fewer customers. A chart was provided that list the classes of services that the Town currently has and what the new rate would be for each class. On the operational revenue/expenses review Mr. Rhodes stated that he did this would be looked at with 0 % load growth. This was to indicate that there would be no % of new customers added for this review. Upon completion of the review it appeared that there was an estimated \$2,700 increase for water and an estimated \$3,400 increase for sewer operations. This translated into a usage rate adjustment from \$3.90/1000 gal to \$4.11/1000 gal for water and \$4.83/1000 gal to \$5.15/1000 gal for sewer. This is the rate increase that would be needed in order to recoup the estimated increase in both water/sewer operating cost over the next year. The only other issues that Mr. Rhodes wanted to make a statement on was that he did for the purposes of the analysis state that Out-of-Town customers and churches would now be included in the debt service funding in the current model as it was presented to the Town Board. Mr. Rhodes went through the tables of the presentation that he presented and he stated that the Town of Bailey was basically in the ball park with its current rate structure as indicated by additional data supplied by the Institute for Government in the Eastern part of North Carolina. Administrator Johnson then asked for a clarification on whether MHI or Median Household Income had been used to come up with the proposed usage rate structure that had been presented tonight. Mr. Rhodes stated no they were not used. It was to indicate at the time that we discussed MHI that the Town of Bailey for our area was below the 3.5% of MHI for water/sewer utility cost. Commissioner Daniel asked if that included electric and Mr. Rhodes stated no because that is a utility that the Town of Bailey controlled. Commissioner Conner thanked Mr. Rhodes for providing the information in helping guide the Board.

Cecil Hawley – Bailey Chamber of Commerce President; Did not present

Envirolink; Dean Holmes, representative of Envirolink, was not present to comment.

Public Comment:

Mayor Pro Tem Carroll opened the public comment section. Don Perry asked to provide some information to the Board and then speak. Mr. Perry stated that the documents presented were two letters, one from someone who lives beside and the other across from a regarding a storage facility on Hwy 581 that is approximately (2) miles from Spring Hope. After passing out the additional information Mr. Perry stated that they were trying to build a successful storage business with the required landscaping, lighting, keypad entry, fencing and surveillance cameras. They have researched everywhere and they cannot find anything that there would be an overflow of traffic. He stated that traffic could be anywhere from 7% per 100 units down to 1 car per 100 units per day and that as far as a lot of traffic that Mr. Perry did not see it. Mr. Perry also stated that even though a storage facility did not provide jobs it would help Bailey by bring customers into Bailey where they could buy something like gas and whatever while they are already here. Mr. Perry again pointed out the (2) letters he provided to the Board then stated that the storage facility in Spring Hope did not have any landscaping or surveillance equipment. Mr. Perry stated that it would be in their best interest to provide these things and keep it up to attract the customers that they needed. Mr. Perry then asked if May's Mini-Storage would have to follow the same rules since they are outside the town limits and Administrator Johnson stated that they were grandfathered but if he did any new construction then the new rules would apply. Mayor Pro Tem Carroll asked if there were any other comments and since there were no further comments from the public the public comment section was closed.

Old Business:

Written Statement of Consistency Board of Commissioners; Mayor Pro Tem Carroll asked Administrator Johnson to discuss this item. Administrator Johnson stated that the Board from the last meeting had the Written Statement of Consistency and that the Board must vote on that 1st before they could vote on the ordinance. Administrator Johnson stated again let me explain what this is doing. Administration Johnson stated that this was not an automatic go, pass go and collect \$200 and you can begin your construction. It is simply you as a Board saying in the R40 district do you want to allow self-storage facility that at this time is non-permissible. If you do then you are going to be adding it by a yea vote of saying it is permissible but with conditions. That means it can happen anywhere in the R40 district. Does it mean that once you say that it gives the current applicant the right to go ahead and build and Administrator Johnson stated no. Now the applicant has permission, knows that it is permissible but has to meet conditions that will be made before the Board of Adjustments. At that time they will determine if the individual is granted a zoning permit. However that still does not give the green light it must then go to the county for them to make a determination if they will make it

allowable based upon the location. Administrator Johnson stated that all the Board of Commissioners was doing was changing the current zoning ordinance to where it says no you cannot do this. That if you vote as a majority to say nay on this then there will not be any change in the current zoning ordinances therefore it will still remain impermissible and the permit has to be denied at that point. If you say that this should be permissible and allowed in the R40, anywhere in the R40 that the Town of Bailey has jurisdiction over but knowing that they have to meet conditions. These conditions would be setup much like when Wal-Mart was coming through. Administrator Johnson stated that when it came back to the Board of Commissioners that they agreed to make zoning ordinance changes and then because they allowed for those changes then when it came back to the Board of Commissioners they went through the process of going through those hearings for those permits. So this past month of May you heard the public as to whom the applicant is and where the potential location is but it was advertised as being a Text Amendment change, which would be in the R40. The people who are abutting the location are going to be the most effected at the time. So again it is your decision as the Board of Commissioners do you want to make a change to the current zoning ordinance that will allow for self-storage units to be permissible with conditions in the R40 district. Administrator Johnson stated that this was all the Board of Commissioners was doing at this time everything else would fall to the Board of Adjustments. Mayor Pro Tem Carroll asked if she could ask a question. Administrator Johnson stated that yes she could. Mayor Pro Tem Carroll asked for Administrator Johnson to explain why there were two items, a Written Statement of Consistency and Ordinance of Zoning Text Amendment? Administrator Johnson stated the reason that you have to have a Statement of Consistency was when you voted on your Zoning Ordinance back in 2014 you placed a clause that stated you must qualify each consistent statement for each ordinance change. Mayor Pro Tem Carroll asked that we would have to do the Written Statement of Consistency first then they would vote on the Zoning Text Amendment. Administrator Johnson stated you have to say that it is either consistent or inconsistent before you can say you would agree to make the ordinance change. Administrator Johnson advised that the planning board met and that they agreed that it met Statement for Consistency and the Statement of Consistency says in the resolution adoption that you have looked at the text amendment, you have heard the public testimony regarding zoning ordinance 407 section c text amendment and d public hearing required herein by reference and finds that the amendment is reasonable considering the potential benefits to the development of the Town of Bailey and the proposed text amendment advances the public health, safety, welfare of the Town of Bailey is or that it is not consistent with the Town of Bailey's comprehensive plan including the 2030 long range community plan and other applicable plans and policies adopted by the Town of Bailey. Administrator Johnson stated that someone could say what do you mean that this promotes the public health, and welfare. Not to say that this creates jobs but there are people who complain about people who have things in their yard that they do not want to see. There is nowhere for them to put them. Administrator Johnson as an example state that he does not have any allowance on his property to build a bigger storage building or to put another building without maxing out the maximum percentage of useable land surface so what would he be able to do if there may be things that he would want to be able to keep. Administrator Johnson continued to say that there are others who can do something on their property that others may not be able to do anything because of their lots and sizes. Administrator Johnson continued to say that we do not offer these kind of facilities directly within the Town limits, not self-storage outside. If someone wanted to convert one of the buildings to a public storage to be put inside it is permissible without conditions.

Mayor Pro Tem Carroll then asked about voting on the Statement of Consistency. Commissioner Conner then stated that the Planning Board and the 2030 Long Range plan are stating that it is consistent. Administrator Johnson then stated yes. Administrator Johnson also commented that the Planning Board worked with Betsy Kane and Mayor Pro Tem Carroll stated for a long time and Administrator Johnson confirmed 4 years and that the Planning Board has read the Statement of Consistency and they stated that it does meet that statement. Commissioner Bissette stated that he was on the Planning Board for 12 – 15 years and when he was on the board he remembered one time where the Planning Board disagreed with the Town Board and the Town Board overruled them and it came back to bite them. He remembered it being a difficult decision where Planning Board turned it down the Town passed it anyway. The Planning Board does a pretty good job of looking at the things that we do not have where people like Betsy Kane has worked with them and she was very smart. The Planning Board puts in a lot of time studying this stuff where the Town Board may only get bits and pieces and such. Mayor Pro Tem Carroll asked if there was any further discussion. Upon a motion by Commissioner Conner and

seconded by Commissioner Bisette the motion was passed with 4 in the affirmative; Bisette, Conner, Daniel, and Carroll and with 1 in the nay; Wescott. (4 affirm); (1 nay)

Ordinance of Zoning Text Amendment; Mayor Pro Tem Carroll asked if there was motion to proceed with the change in the Ordinance of Zoning Text Amendment. Upon a motion by Commissioner Conner and seconded by Commissioner Daniel the motion was passed with 4 in the affirmative; Bisette, Conner, Daniel, and Carroll and with 1 in the nay; Wescott. (4 affirm); (1 nay)

New Business:

2017 – 2018 Proposed Budget Acceptance or Rejection; Mayor Pro Tem Carroll asked if anyone would entertain a motion to proceed to accept the proposed budget and a motion was made by Commissioner Conner and seconded by Commissioner Wescott and was unanimously approved. (5 affirm); (0 nays)

Acceptance of increase in Debt Service Water Fee, Water and Sewer Usage Rate as per table of provided in budget workshop; Commissioner Conner asked if we would be voting on what Mr. Rhodes presented. Administrator Johnson stated yes by the tables. He explained what he would do in our current system by customer rate class and by the tables presented and would increase accordingly. He advised that this would now include churches and Out-Of-Town customers. Commissioner Daniel wanted to know what Out-Of-Town customers would pay since they do not pay taxes. Administrator Johnson stated that they would be charged \$3.95 in debt service. Commissioner Daniel stated that he thought that they should pay \$9.95 or even \$10.00 debt service. Administrator Johnson stated that that was up to the Board on what they wanted to access Out-Of-Town customers. Mr. Rhodes asked if he could make a statement and the Board allowed him to bring up the fact that Out-Of-Town customers pay a higher availability fee and that was his reason for not having a higher debt service rate on Out-Of-Town customers. Mayor Pro Tem Carroll asked if a motion would need to be made on each one individually. Administrator Johnson stated that if there were no changes to the tables as they were presented then no. A motion to proceed with the Debt Service rate change along with the water and sewer usage rate change was made by Commissioner Conner and seconded by Commissioner Wescott and was unanimously approved. (5 affirm); (0 nays)

Budget Amendment Approvals; Administrator Johnson advised that he needed the Board of Commissioners to approve the Budget Amendments as they have been presented because of revenue received from FEMA that needed to be reflected in the expenses that had occurred. Administrator Johnson advised the Board that GL funding line items; 10-570 for \$3200, 10-580 for \$24000, and 30-810 for \$11000 were expenses that had already or were going to be paid out and that since the revenue had already been received the expense line items would need to be increased in order recognize the revenue received and so that the line item would not go over budget. Commissioner Bisette asked if the funds were going into contract services. Administrator Johnson said that was correct because Envirolink was the one doing the work. Commissioner Bisette then inquired about why wasn't there more for the Streets and Trees for the Williams St project. Administrator Johnson advised that FEMA only approved \$2000 for the hole to be repaired and \$1200 for the tree stump and debris to be removed. They were not going to cover for the whole street to be repaved. Commissioner Daniel then asked if we needed to go out for bids. Administrator Johnson stated no that was done when the quotes were submitted to FEMA. Now that the Town had received the money we could go ahead with the work. A motion to proceed with the Budget Amendments as provided was made by Commissioner Daniel and seconded by Commissioner Bisette and was unanimously approved. (5 affirm); (0 nays)

Commissioner's remarks:

Commissioner Conner asked for Administrator Johnson to get in contact with Envirolink to have them keep up the streets better than what they have been doing. He didn't understand why they couldn't handle keeping the streets and curbs in a better condition than what they were doing. He stated that Commisisoner Bisette shouldn't have to spray round up when it was Envirolinks responsibility.

Commissioner Bisette also stated that he agreed with Commissioner Conner about the spraying because he had been down Main St and sprayed down there as well. Commissioner Conner stated that this was something that Commissioner Bisette should have to be doing. Commissioner Conner then also stated that there were issues with some properties not maintaining their lawn. Mayor Pro Tem Carroll stated that she knew that Administrator Johnson had been sending notifications for people to adhere to the Nuisance Ordinance. Administrator Johnson then stated that everyone that he had sent notifications to began taking care of the issues that had been identified. Commissioner Bisette then asked who owned the property over where the railroad tracks were located by the Fire Department. Administrator Johnson stated that it was owned by the railroad and that you couldn't make them do anything. After discussion from the Board about who to get to clean this up Administrator Johnson asked why not get community service workers to clean this up. Interim Chief Bullock then agreed with Administrator Johnson. Interim Chief Bullock also stated that he would contact the CLNA regarding this issue because it could be a union issue for their workers.

Commissioner Daniel stated that he had received quotes for the painting of the walls over at the maintenance building and police department and he recommended going with Jennifer Harrington for \$660.00. A motion was made by Commissioner Daniel to proceed with using Jennifer Harrington for the paint job for the Town of Bailey and it was seconded by Commissioner Conner and was unanimously approved. (5 affirm) (0, Nays)

Commissioner Wescott had nothing to discuss.

Mayor's remarks:

Mayor Pro Tem Carroll stated that in the past that she had always been told that she had to pay the availability fee, didn't quite understand it but still always paid it. Now after reviewing some accounts with Administrator Johnson she realized that there are people in the Town of Bailey that are refusing to pay it. She listed several accounts with balances in the thousands and hundreds of dollars. Administrator Johnson stated that there was nothing in the Town's policies that stated in a 120 days to cut the account off and send them to collections. Mayor Pro Tem Carroll stated well need to make that because if I have to pay mine then they should have to pay theirs. Administrator Johnson then stated that he wanted to get a policy to the Board that would not be done by piecemeal and that it be good and concrete because you have to remember that water and sewer is an enterprise account, which means it has to be run like a business. Administrator Johnson still went on to say that you could not treat it like taxes where you can (10) years and try to collect. With water/sewer charges we would only go back for (3) years to collect. What needs to be done is adopting new policies and getting them out to each customer and saying that these are our policies and this the date that they become effective. Either the customer complies or we put the policies into effect. Administrator Johnson stated that by having this in place the office then has what it needs to make decisions that are policy based. Administrator Johnson stated that he would try to have something within the next 30 to 60 days but that it would be based on workload between fiscal year end and new fiscal year rollover for the months of June & July 2017. Commissioner Conner then spoke up to say that maybe Administrator Johnson needed 60 to 90 days to get this to the Board. Commissioner Daniel then asked if the Board could adopt a temporary policy. Administrator Johnson advised against this because it could set a precedent that could affect how our future policies would work. None of these accounts are at a point that we have to write them off for the sake of writing them off. Administrator Johnson encouraged the Board in getting the policies in place and then proceeding forward with the new way of handling these customers. Commissioner Bisette then asked what would we be cutting off. If these customers have well water then how are you going to cut them off? Administrator Johnson then stated that you could remove their garbage service. Mayor Pro Tem Carroll asked why hasn't that already been done. Administrator Johnson stated that he did not have anything in writing that allowed him to disconnect an account and remove services automatically. After some discussion Commissioner Conner asked what were we going to do about this. Mayor Pro Tem Carroll stated that we were going to be sending them to collections because even though it would cost us some money upfront it was the principal of the matter at this point. Administrator Johnson stated that the Town's policy needs to be nailed down so that everyone is treated the same. From the gallery Cecil Hawley stated that there would need to be a policy established for the property owner and also the tenant. Administrator Johnson agreed and stated that currently we do not have this and we should because availability should be paid whether the property is rented or not.

Mayor Pro Tem Carroll stated that there was a need for the Board to approve the Standard Operating Procedures for the Bailey Police Department. Administrator Johnson stated that the manual had been reviewed and approved by Liz Fairman, Town Attorney and that he had reviewed it from an HR perspective and that it has passed both Liz and himself for approval. Commissioner Daniel asked if Commissioner Wescott had seen it and Commissioner Wescott stated that he had. Commissioner Conner asked if Administrator Johnson and Interim Police Chief Bullock were happy with it and they affirmed that they were. A motion to proceed with Standard Operating Policy Manual for the Bailey Police Department was made by Commissioner Wescott and seconded by Commissioner Conner and was unanimously approved. (5 affirm); (0 nays)

Mayor Pro Tem Carroll asked about the crush and run for the cemetery. Administrator Johnson advised that he had one response so far and that was Owens Construction and for (4) truck loads which is 80 tons it would be \$1600. Commissioner Daniel stated that you didn't want it to be too big so that it can be packed down and Administrator Johnson confirmed that it would not be what was called 57. Commissioner Bissette stated that we should contact Jerry Bunn from Sims and Administrator Johnson advised that he had contacted Bunn Trucking and was waiting a response from them. Commissioner Bissette asked who would be spreading and Mayor Pro Tem Carroll stated Envirolink.

Department Heads Remarks:

Administrator Johnson – advised that the Local Water Supply plan was approved by the LGC.

Interim Chief Bullock – advised that the 2011 Dodge Charger had an issue with rocker arm that would have cost the Town of Bailey anywhere \$1800 to \$2200 dollars to fix. He negotiated with Chrysler Motors and the work was done with no charge to the Town of Bailey. He also stated that by next Board meeting that he might possibly have (2) auxiliary candidates to present for their approval.

Closed Session:

Commissioner Conner made a motion to go in to closed session as permitted by NCGS 143-318 (a) (6) to consider the qualification competence and performance of an employee. Commissioner Wescott seconded the motion and the motion passed unanimously. (5 affirm); (0 nays)

Commissioner Bissette made a motion to return to the regular session meeting and Commissioner Daniel seconded the motion and the motion passed unanimously. (5 affirm); (0 nays)

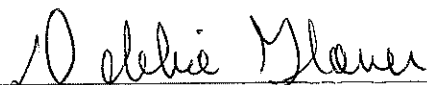
Commissioner Conner made a motion to increase the pay rate for Timothy Johnson from \$36,000 per year to \$41,000 per year effective July 1, 2017 and Commissioner Daniel seconded the motion and the motion passed unanimously. (5 affirm); (0 nays)

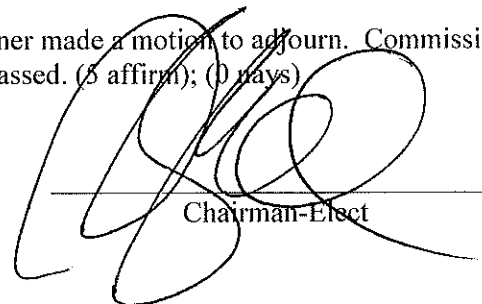
Commissioner Wescott made a motion to increase the per hour pay rate for Graceanne Kane from \$10.00 per hour to \$11.00 per hour effective immediately and seconded by Commissioner Conner and the motion passed unanimously. (5 affirm); (0 nays)

Commissioner Wescott made a motion to increase the per hour pay rate for Timothy Garland from \$10.79 per hour to \$11.75 per hour effective immediately and seconded by Commissioner Conner and the motion passed unanimously. (5 affirm); (0 nays)

Adjournment:

There being no further business, Commissioner Conner made a motion to adjourn. Commissioner Wescott seconded the motion and the motion unanimously passed. (5 affirm); (0 nays)


Clerk


Chairman-Elect