



Town of Clayton
Regular Town Council Meeting Minutes
Monday, May 20, 2024 at 6:00 PM
Council Chambers, Town Hall
111 E. Second Street

Council Present:

Mayor Jody McLeod
Council Member Porter Casey
Council Member Andria Archer
Mayor Pro Tem Michael Sims
Council Member Gretchen Williams
Council Member Ruth Anderson

Staff Present:

Rich Cappola, Town Manager
Jim Cauley, Town Attorney
Dolores Gill, Deputy Town Manager
Robert McKie, Finance Director
Greg Tart, Police Chief
Nathanael Shelton, Communications Officer
David Ranes, Fire Chief
Joshua Baird, Water Resources Director
Conrad Olmedo, Planning Director
Sam Johnson-Phillips, Deputy Town Clerk
Patrick Pierce, Economic Development Director
Bruce Venable, Planner

Council Absent:

None

1. CALL TO ORDER

- a. Call to Order

Mayor McLeod called the meeting to order at 6:02 p.m.

- b. Pledge of Allegiance

Mayor McLeod led the Pledge of Allegiance

- c. Invocation

Mayor McLeod provided the Invocation

2. ADJUSTMENT OF THE AGENDA

- a. An adjustment of the agenda was made to move item 6a. after Old Business and to add a potential action to Item 6a.; FY 2025 Manager Recommended Budget. The action would be potential adoption.

Approve or Adjust the Agenda

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims

YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

3. **CONSENT AGENDA**

- a. Minutes
May 6, 2024 - Work Session
May 6, 2024 - Regular Session
May 6, 2024 - Closed Session
Presenter: Sam Johnson-Phillips, Deputy Town Clerk
- b. Electronic Records and Imaging Policy and Procedures
Presenter: Sam Johnson-Phillips, Deputy Town Clerk
- c. Southeast Area Study (SEAS) Update Resolution
Presenter: Conrad Olmedo, Planning Director
- d. Resolution #2024-46 Final Acceptance of Public Water & Sewer Utilities for Meadowview Subdivision, Phase 1
- e. Resolution #2024-48 To Accept Public Utilities into The Town of Clayton Public Utility System for Maintenance – Walk at East Village Phase 4A & 4B.

Approve Consent Agenda as Presented

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

4. **ADMINISTRATIVE ITEMS**

- a. Clayton4U
Presenter: Nathanael Shelton, Communication Director

Mr. Shelton presented to Council a new educational video series. This series will be conducted over the next year and will address topics from different departments. A trailer to the video series was shown.

5. **INTRODUCTIONS AND SPECIAL PRESENTATIONS**

- a. National Public Works Week Proclamation
Presenter: Mayor McLeod to Present to Public Works Department

Mayor McLeod read the proclamation into the record and presented this to the Public Works Department.

6. **QUASI-JUDICIAL HEARING**

- a. 2023-189-SUP Full House Storage Unit

Presenter: Bruce Venable, Planner II

Attorney Cauley provided information on a quasi-judicial hearing. Town Clerk swore those in that would be offering testimony. Mr. Venable stated this request is to build a 4-story, 84,000 sq. ft. 549-unit climate-controlled self-storage building. The property size is 2.14 acres located on Tew Court and Gateway Drive with frontage along Hwy 70. This was submitted under the previous UDO code. Shared was the site plan which has been reviewed and approved by TRC. Shared were the elevations. The applicant is proposing a 25% masonry element along the front and limiting metal to 10%. The Future Land Use map shows this site as an employment center.

Shared were the four findings of fact. Regarding findings of fact 2, the only one area where the applicant is not meeting all the findings of fact is that the code under 155.400.1 1-2 which does require cross-access location to adjacent parcels, a stub or cross-access would be required.

Shared were the recommended conditions.

Merritt Parrott with Parker Poe Adams and Bernstein was present to represent the applicant. She stated there are two expert witnesses to speak tonight, Cameron Rice, senior project manager with Advanced Civil Design and Nicholas Kirkland, State certified real estate appraiser with Kirkland Appraisals. She distributed affidavits from Mr. Rice, Nicholas Kirkland, and the project developer to Council. The affidavit from Nicholas Kirkland is in substitution of the affidavit for Richard Kirkland that was submitted with the application.

She stated the application is compliant with the code; shared were the UDC requirements. The zoning of the parcel is highway business B3 under the UDC. Shared was the landscape plan. There is a thoroughfare buffer along Hwy 70, vegetation along the property line with the daycare, and vegetation would be retained to the possible extent.

Shared were the specific use standards for self-storage under the UDC which includes certain prohibited activities. The project would be in compliance with all these standards.

Cameron Rice, senior project manager with Advanced Civil Design was presented. He graduated from NC State Engineering with a civil engineering degree and has been practicing engineering for 25 years. He stated he supervised the submittal for this special use permit and the site plan. Ms. Parrott asked Mr. Rice if it is correct he is a licensed professional engineer, he stated that is correct.

Mr. Rice stated he oversaw the layout and design of the site plan and interacted with Town staff regarding the required specifications for the UDC standards. This included coordinating, reviewing and speaking with Town staff and Johnston County regarding the water line. He also reviewed the special use permit application for its compliance with the UDC.

Ms. Parrott went over the findings of fact. Mr. Rice described the project's location and surrounding uses. He stated there is the North Carolina Department of Agriculture to the north, Hwy 70 to the south, Kids R Kids Daycare to the east, and the point on the western side touches the Pine Crest Memorial Park. He stated the property is primarily commercial to include things like medical offices. There are two industrial buildings under construction that are nearby and a veterinarian building. In the vicinity is the ABC store that is planned and Walmart that has its force main that comes up through Hwy 70 and crosses the site.

He described vehicular and pedestrian access. There are currently no sidewalks in the cul-de-sac; this would be provided as part of the development. The connection would be to the end of the Tew Court cul-de-sac and would be a standard 25' driveway entrance with curb and gutter. There would be handicap ramps on either side and adequate cross slope for pedestrians that are within the right-of-way of Tew Court. There would be adequate sidewalks from the public right-of-way to the building and ADA accessible route entrances into the building.

Proposed are 11 parking spaces with one being a van accessible space that is 12.5' wide. He stated they have contacted Duke Energy to have them assist with parking lot lighting so this would meet the design requirements for the Town. Currently there is an existing sewer service and water meter that is stubbed to the end of Tew Court. There is a drop inlet on the northern end of Tew Court. Those utilities were stubbed to the lot as part of the master plan. This project would connect to those existing stubs for water, sewer, and storm water.

Proposed is a stormwater control measure with a retention pond which would be designed in accordance with NCDEQ's current BMP design manual. There would be adequate depth, a shelf with wetland plants, and the outlet structure would connect to the existing drop inlet north of Tew Court. It would be screened from the right-of-way and from adjacent uses with a fence and landscaping. The project is providing required buffers in accordance with the UDC which include a 10' Class A and Class C buffer and a 40' thoroughfare landscape along Hwy 70. These buffers would be supplemented where needed and the site would provide a minimum of 20% landscaped area. All easements have been included.

He stated a TIA was not required, however, Mark Man, director of transportation services for Advanced Civil Design who has over 38 years of experience reviewed this use. This was entered as Exhibit B as part of his affidavit. The study showed this site would generate 13 peak hour trips. Mr. Rice's opinion on the traffic safety of this project is this project would show minimum traffic and this project would not materially endanger the public health or safety from a traffic perspective. Regarding findings of fact 1, he stated it is his professional opinion that the site plan in its location will not materially and endanger the public health or safety because the project is consistent with the surrounding uses and also because access, parking, stormwater, and buffering were all reviewed.

Regarding findings of fact 2, he stated the applications for this project meet all required specifications and standards in the UDC. Ms. Parrott stated staff stated in their staff report the site plan did not provide cross-access connections to all adjacent properties as required. She asked Mr. Rice if their cross-access connections are always required

under the UDC, he stated no they are not. He stated this exception does apply to this project because of natural features and similar circumstances that make accessible internal driveway connections adjacent to existing and future development difficult. To the north, adjacent to the North Carolina Department of Agriculture, there is 2.5' of fall in 25' where the stub would be in the property line. The slope is resulting in a 10% grade and according to appendix D in the North Carolina Fire Code grades in excess of 10% are not allowed for fire apparatus access roads in addition. There are conflicts that would be made with existing 4" sanitary sewer force main that runs along the northern property line. There is also a 2" Piedmont natural gas line that leaves the pressure reducing station next to Pine Crest Memorial with additional fiber optic cables in the area.

The property line abutting the Kids R Kids Day Care parcel has 2.5' of fall from the existing mini round-a-bout to the proposed elevation of the building. Ms. Parrott asked if there are any other circumstances why the applicant should not be required to provide cross-access, Mr. Rice stated by not providing the cross-access connections, they are ensuring that the project is only providing efficient and safe connections to the existing street system in accordance with the purpose and intent of the UDC. Because this project is adjacent to a preschool parcel and did not construct a stub, the applicant cannot complete a connection to any existing stub. If the applicant constructed stubs, it would not result in an actual cross access.

Council Member Casey asked about the cross-access on the agricultural area because at some point in time that would be sold and subdivided. He asked if there was anything that could be done to allow a future cross-access? Mr. Rice stated things could be constructed, whether they are constructed in accordance with the ordinance and standards. It could be done but it would not meet code and they would be challenged to pick up all impervious areas and treat it by the pond. The NC Department of Agriculture has over 220 linear feet of access to Tew Court that would be 100' away from where a cross-connection access would be if it could. There are also other access points along Hwy 70. Council Member Casey asked if it was to be done, it would not be done to code? Mr. Rice stated based on the current design of the site, it would need to be evaluated and be very difficult to provide a connection. Council Member Casey asked if that was a no, Mr. Rice stated that is correct.

Mr. Nicholas Kirkland stated he is a State certified appraiser in North Carolina. He has been accepted as an expert in property value impacts hundreds of times. He has been an appraiser for 9 years. He has reviewed the property impact analysis. Mr. Kirkland stated they have reviewed the project features for compatibility with the adjacent area. The area is largely commercial and industrial in nature. This project is in harmony in the area.

He stated to determine whether or not a property can impact another property value, the best way to do this is what's called a matched pair sales analysis. To determine value, take an existing self-storage facility in the area and find a property that sold next to it and compare that to other similar properties that sold that did not adjoin a self-storage facility. This adjoins mostly commercial and industrial uses; the difficulty in comparing that is they don't just adjoin this proposed facility. They compared single-family dwellings next to self-storage facilities. The reason being single-family residential dwellings are the most sensitive of uses that you could have. If an impact were measured on a single-family house next to a self-storage facility, it is likely you

could see an impact in a less sensitive use. There is significant data in the impact study showing that more sensitive uses such as residential dwellings next to self-storage facilities are not selling for any less than other nearby homes. This is strong support that the proposed development would not impact adjoining property values.

Commercial and industrial uses are not often valued the same way resident's area. Commercial uses are based on the income that you could command what you could rent it for. It is his professional opinion that the proposed use would not negatively impact the adjoining property values and it would not be detrimental to the use or development of adjacent properties.

Council Member Casey asked Mr. Kirkland for more information on the three-match pair, he asked how many stories they each had. Mr. Kirkland stated the first one is two-stories, the second is one-story on a hill and the third one is one-story with townhomes. Council Member Casey asked how that impacts the assessment. Mr. Kirkland stated they are trying to determine the sensitivity and potential to impact. Commercial uses are the least sensitive type of use. Self-storage facilities are primarily located in higher commercial zoned areas that don't typically have residences.

Ms. Parrott stated on findings of fact 4, the project is consistent with the encouraged uses in this designation including industrial warehouse, office, recycling assembly, and supporting commercial uses.

Mayor McLeod asked if anyone wished to speak in opposition. With no one wishing to speak, this was turned over to Council for their deliberation.

Council Member Casey asked Attorney Cauley if there is something to the contrary that staff could discover such as the opportunity to have cross-access points, is there anything that could be done? Attorney Cauley stated on the cross-access points, defer to staff. With no testimony in opposition the only other testimony would be from staff at that point. Council Member Casey asked staff if they had any feedback. Mr. Baird stated in terms of the cross-access, street standards are at 10% as well as the fire code. As a reference point, they would understand what the typical street standards would be. In terms of site and stormwater, the pond and walls do factor into the elevations of that. He stated he could not say specifically if they would work or not. He could not speak to the site design as to whether that would work but the 10% is a street reference.

Mr. Baird stated he is not saying it can't be done, he is just providing additional information.

Motion by Sims with the two recommendations recommended by staff.

Approval of SUP

RESULT:	CARRIED 4-1
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	Porter Casey

Quasi-Judicial Hearing

A quasi-judicial hearing resembles a court trial where testimony is presented. Citizens may give testimony in a quasi-judicial hearing after they have taken an oath. Town Council acts like a court of law and receives only sworn testimony and other credible evidence. In addition, the Town Council must make findings of fact based upon the evidence presented.

The Town Council refrains from "ex parte communication" about these cases, as the Town Council must make a decision based solely on the evidence presented at the hearing itself. Staff is available to assist with inquiries from citizens.

7. OLD BUSINESS

a. Budget Amendments

Presenter: Robert McKie, Finance Director

Mr. McKie presented four budget amendments to Council and requested approval. The first shared was a budget amendment to the Public Safety Complex. It was reported that the cost was updated and \$750,000 was transferred from the Engineering Department Capital Outlay Budget over to that Capital Project Fund, making it a wash to the General Fund. The second budget amendment shared was a new Capital Project Ordinance. This is associated with the Library Renovation Project. Communicated to Council was that the \$250,000 design cost and Engineering Capital Outlay Budget was transferred over making it a wash to the General Fund. The projected cost for the Library Renovation Project is about \$2.5 million. The third budget amendment shared was related to Copper District. The Copper District was initially a developer's manage project for the elevated water storage tank project. It has since evolved into a Town manage project for elevated storage tank. Mr. McKie communicated the cost has been updated accordingly. The final budget amendment shared was the Water Sewer Infrastructure Replacement Capital Project Ordinance. It was reported it is essentially like a Capital Reserve Fund. There is approximately \$9.6 million of projects in the Water Sewer funds Capital Outlay Budget. Those funds were taken and transferred to the Reserve Fund. As projects are done money would be transferred from the Reserve Fund into a new Capital Project Ordinance Fund.

Adoption of Ordinances #2024-05-03, #2024-05-04, #2024-05-05, and #2024-05-06

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

b. Series Resolution for the Issuance of Revenue Bonds

Presenter: Robert McKie, Finance Director

It was reported the Series Resolution would enable the Town to issue \$6 million of revenue bonds for the electric system, related to the infrastructure to install new development. Mr. McKie reported to Council, there were six responses to the RFP. The top two were Webster Bank and First National Bank. It was reported Webster Bank provided the best terms at 4.51% for 10 years. It was shared with Council that

the resolution awards the bid to Webster Bank. That would come with a debt service of approximately \$760,000 annual debt service for 10 years.

Adoption of Resolution #2024-50

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Porter Casey
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

- c. 2023-115-CZM Carolina Overlook North Conditional Rezoning
Presenter: Conrad Olmedo, Planning Director

Mr. Olmedo stated this is a request to rezone the property to a conditional zoning-residential district. This process involved a technical review committee approved reviewed master plan with conditions reviewed by staff. It then went to the Planning Board on March 25, 2024 and at the April 15, 2024 Council meeting it was continued to this evening. Should this item be approved, staff would then process major subdivisions and fulfill the plan as approved.

Current zone districts are R8 and R10 (RMD & RLD under new code). This request is for up to 750 single family detached homes and single family attached. The property is located on the north side of Covered Bridge Road with a size of 362.75 acres. There is a percentage of the overall development that would be age restricted to 55 years and older.

Shared were UDC, parking and development standards that have been incorporated into the conditions. Parking ratios were shared. Traffic generation information was discussed. There would be 3,285 daily trips, 180 AM peak trips, and 214 PM peak trips.

Discussed were the conditional zoning district criteria. Staff believes with the proposed density and road improvements; the property is suitable for this development. Staff finds the proposed development does meet the demand of the Town for housing. Staff believes there is adequate capacity of public services and facilities to serve this development. Shared were the master plan approval criteria. Staff recommends approval of option 2, although inconsistent with the Future Land Use Map. Upon approval, staff would revise the Future Land Use Map to be in accordance with the recommended densities of the master plan. Planning Board also recommended approval at their March 25, 2024 meeting.

Since the March 25, 2024 Planning Board presentation and the April 15, 2024 Council meeting presentation, changes have been made to the conditions. Shared were these changes which can be found in the agenda packet. Condition 5 states 20% of the total residential units may be constructed as Townhome units. Condition 10 is the reference of the 55 years of age or older within the development. Condition 11 refers to the minimum lot sizes, he stated he wanted to articulate the front loaded single-family detached units would provide a minimum garage setback of 21.5' and townhome units

would provide minimum garage setback of 25'. This distance would be measured from the edge of the property line which is the back of the sidewalk. Changes on conditions 20, 21, 25, 26, 27, 28, 29, and 30 were shared.

Council Member Casey asked for the areas where the crosswalk was removed, would there be any type of crosswalk connection? Mr. Olmedo stated that could be discussed with the applicant.

Brandy Vega was present to represent the applicant. She stated this is a 55+ age restricted highly amenitized community. HOA provides lot landscaping and maintenance and with the age restriction there would not be any impact on public schools. Phase 1 would be on the south side of Covered Bridge Drive with a buildout expected in 2026. There would be a connection through the neighborhood on the south side to the Neuse River Trail. There would be a connection through Brookhill Drive with an attempt to get a high visibility crosswalk from NCDOT so neighbors on the north side could make their way to the south side to get on the trail.

She discussed the meetings and interactions with neighbors. She stated there would be mostly 30' type C buffer around the perimeter with a 40' buffer along Ole Mill Village east of Brookhill Drive. Cul-de-sacs have been used to minimize stream crossings. One of the conditions offered was to upsize the detention at SCM #11. The pit numbers were identified and have been upgraded from the required 110 and 25 to a 50-year. Additional erosion control measures have been added and double lined silt fencing would be provided along the grading boundaries along the east side of the property. She stated they have met and exceeded the open space requirements. Of the buildable area, they have calculated 141 acres are planned to be built upon which is 39% of the total site.

The Neuse River buffer is a required 200' buffer. She stated the closest grading bounding is 380' to the buffer. Double lined silt fencing would be provided along the Neuse and feeder streams. She stated Mr. Olmedo mentioned the driveway was measured from the back of the sidewalk which would provide another 1.5' to the sidewalk.

Rynal Stephenson with DRMP spoke on traffic. He stated there are a lot of road improvements associated with this development and there are other improvements with Phase 1 that are along O'Neil Street, and City Road. Shared was a diagram from the TIA that was prepared. This diagram showed widening on the Western entrance on Covered Bridge Road to provide a left and right turn lane as well as on Brookhill Drive. Showed was more widening on Covered Bridge Road. He stated the realignment of Covered Bridge to O'Neil is well underway and there would be turning lanes at each direction as well as a traffic signal. He stated there is an entire network for pedestrian infrastructure; most of the development would have sidewalks on both sides except those noted.

This is a low traffic generating site being an age restricted development. Shared were trip generation numbers which included numbers based on an age restricted development and non-age restricted development. Council Member Anderson asked regarding the signals and turn lanes, does he have the distance and length of the turn lanes? Mr. Stephenson stated they each have their own requirement; the shortest left

turn lane is 100' of stacking but there would be some additional length that would be worked out with NCDOT during the design so it could be more like 150'. It was stated 100' would hold 4 to 5 cars with 150' holding 6 to 8 cars. Council Member Anderson asked Mr. Stephenson to describe what high visibility crosswalks would look like. He stated that would be a conversation with NCDOT if they would be open to it but typically, they are painted but not a traditional straight line and there are more wider stripes that are turned with extra striping to make it more visible to cars. This would need to be approved by NCDOT first.

Council Member Casey asked Mr. Stephenson to classify senior housing. Mr. Stephenson stated the trip generation data is based on similar sites to this where the Institute of Transportation Engineers collect data and establish how many cars would be generated during peak hours per unit. There is separate data for assisted living. Council Member Casey asked if this accounts for incoming traffic? Mr. Stephenson stated yes.

Council Member Casey asked what type of growth rate he is added to this. Mr. Stephenson stated in the traffic study they did add in traffic from surrounding developments that have not been constructed and 3% per year was added. He stated it ends up being a significant increase in traffic when other developments are added. He stated that is one reason they would monitor the intersection at Brookhill Drive for a signal. Council Member Casey asked if 3% was standard, Mr. Stephenson stated it could vary depending on how much other development traffic is used. He stated he felt 3% was fair for this study.

Council Member Casey stated each intersection has a grade; he asked what those grades are. Mr. Stephenson stated when the original traffic study was done, Shotwell Road improvements were not opened at the time so that the intersection showed poor levels of service. By adding a signal, that intersection went to level service D. Covered Bridge Road and City Road both go into longer delays which make those go to level service E or F depending on the traffic time. Brookhill Drive has lower traffic today, so it has a good service level. Covered Bridge Road and O'Neil intersection is level service C or D depending on the time of day, with the improvements. With improvements being made, it does take a lot of intersections from level service E or F to C or D which is a big improvement for this corridor. Council Member Casey discussed the blind spot at the Smith Ridge Development, he asked Mr. Stephenson's professional opinion on how that could be mitigated. Mr. Stephenson stated when they go through road improvement drawings, it would be looked at with NCDOT. He stated they do look at site distance.

Mayor Pro Tem Sims asked Mr. Stephenson to explain more about monitoring and how it is done. He stated if he looked at the traffic counts at Brookhill Drive today, there would not be enough traffic there to warrant a signal. He stated the NCDOT looks at a set of traffic thresholds. He stated they are trying to see if traffic would continue to grow in that area to cause the combination of the side road and the major road to have enough traffic to meet those thresholds. This traffic would be monitored for a year to give the traffic time to grow. There must be a certain amount of traffic for a certain number of hours a day.

Mayor Pro Tem Sims asked Mr. Stephenson to explain to him what the peak hours for the age restricted range is. Mr. Stephenson stated that the typical morning rush hour is usually 6:30 – 8:30 a.m. or 7-9:00 a.m. The afternoon is typically 4-6:00 p.m. or 4:30-6:30 p.m. With this community, the traffic is more spread out, not everyone is leaving at the same time in the mornings or returning in the evenings. Mayor McLeod asked if monitoring is a best practice, Mr. Stephenson stated it is very common. He asked if they numbers come to what they should be, are they banking on the fact that NCDOT is going to fund and install a traffic light or is this signal something the developer is going to fund and install? Mr. Stephenson stated typically the developer would fund and install unless NCDOT helped for some other reason. Mayor McLeod asked if he had a cost of the road improvements the developer is putting in. Mr. Stephenson stated he did not have that number right now, but it is significant.

Council Member Anderson stated the studies show that a light is needed and warranted, and the developer would fund this light; that would critically expedite the light being installed, is that correct? Mr. Stephenson stated there would be a little delay getting the poles ordered and installed. Attorney Cauley stated based on the presentation, does condition 20 need to be amended to say the developer will pay the cost of the signalization if deemed to be warranted by NCDOT?

Kelly Race with Pulte Del Webb stated part of the conditions is it lists every roadway improvement that was spelled out in the traffic study and approved by NCDOT and they are responsible for the implementation, cost, and design of all including signals if warranted and approved by NCDOT. Mayor McLeod asked if she had an estimate on investment that the developer is placing on road improvements; she stated she does not have that number but based on what they are already doing on the south side and what has been agreed upon for the north side, it is millions of dollars' worth of improvements.

Council Member Casey stated condition 19 is vague and doesn't have much guidance and condition 20 has more guidance. He would like to see these two conditions similar. Ms. Vega stated the first one is the TIA analysis impact, those are what the TIA showed are needed to do so they are worded differently. Condition 20 is outside of the TIA recommendation, that is something they are adding above and beyond the TIA; that is where the different wording comes in. Mr. Stephenson stated the easiest thing to do would be to take the language a little more specified.

Council Member Archer shared her concerns about the certificate of occupancy. She stated they are looking for more of a certificate of occupancy that is somewhere halfway through the project. Ms. Race stated if she would like them to amend the condition to tie it to certificate of occupancies rather than a timeframe, they could do that. Mayor McLeod stated if you are willing to look at it at 350 homes and get that building process started, you would be at 50% completion and then evaluate the traffic situation and before it is completely built out, those safety precautions would already be in place.

Mr. Cappola asked if the proposed is 770 units? Ms. Race stated the master plan shows 750 but they are limiting units in certain areas. Mr. Cappola stated if we use a number of 400, at least 50% of the units have been built, CO'd and likely moved into so the traffic is real numbers on the ground. He proposed if they did it at 400 CO, the

study would be conducted, and numbers would be projected for final buildout numbers. At that time if it's warranted the developer would construct.

Council Member Casey clarified this would be condition 19 and 20. Ms. Race stated definitely condition 20 which is over and above what was required by NCDOT. She does not think they can change what NCDOT has approved but they could agree to go over and above that. Council Member Casey asked for condition 19 they would monitor it for a year? Ms. Race stated now they would not be monitoring it for one year, they would monitor it somewhere around the 400 unit mark. Council Member Archer stated on condition 19, she understands the desire to have a timing component, if this condition could have something added that says completed prior to the final plat of the associated phase. Ms. Race stated each of the driveways would need to be installed before NCDOT would allow the permit. Mr. Olmedo asked if it was reasonable to tie these studies for condition 20 to the completion or CO of each phase? Ms. Race stated the phases are not yet defined.

Mayor McLeod stated this has been noted as a public hearing, he asked if anyone wished to speak.

Attorney Kim Schaffner shared a presentation and spoke about his concern of traffic. He referenced a TIA from 2017 and 2022 and stated the growth rate is 13.2%. He discussed the traffic concerns in the developments off Covered Bridge Road. He showed examples of smaller lots and shorter driveways in neighborhoods, which is a concern for him. He discussed the flood plain and how it goes halfway to Brookhill Drive. He asked that we not end up with houses upon houses.

Samantha Crop with Sound Rivers spoke about water quality issues in the Neuse River. She stated stressors from developments are a leading cause of water quality pollution and through her role she monitors land use changes. She believes this proposed development is an example of one such potentially harmful proposal for water resources. She further explained her reasoning. She stated this is the Town's only mapped natural area. She discussed endangered and threatened species on this site. She shared inconsistencies with the Town's 2045 Comp Plan.

Attorney Kelly Johnson, resident of Ole Millstream, spoke about the National Heritage area and the significance of that designation; it is the only National Heritage area in the Town. This proposed development would involve extensive clearcutting. She explained the issues of clear cutting and terracing which could cause future erosion and soil quality issues. She asked the Town to pause to think about the decision to review additional information needed.

Charles Tindle of 101 Michael Way stated he has questions about the TIA. The 2018 TIA shows 750 on the north side would generate 6,400 trips a day and the one presented tonight shows 3,285. The south side shows 450 units would generate 2,960 trips a day; he asked if that included the new section going by City Road? He stated the volume of traffic on Covered Bridge Road substantiates the need for traffic lights at City Road and N. O'Neil Street. He spoke on traffic safety in this area.

Angela Wade of 118 Michael Way stated if the developers are approved to move forward with this project, she believes this would adversely affect the quality of the life in Ole Millstream. Concerns stated were losing the beauty of the forest behind the

neighborhood and the connection of the new road to Michael Way which would create additional traffic. She believes a more diverse community would be a much better use of this land.

Richard Wade of 118 Michael Way discussed traffic within Ole Millstream which could adversely affect the quality of life. He discussed the construction disruption building this proposed development could cause in access; there is one way in and one way out. He discussed the effect the cutting down of trees would have on the neighborhood.

Janie Hoyt of 100 Michael Way asked for Council to consider the negative impact this proposed development would have on the quality of life. She discussed the number of letters from the neighbors that have been sent to Council. She stated no one has come to them to discuss working with them to find a constructive solution to their concerns. The negative impact this would have on people and their lives have not been taken into consideration.

Mayor McLeod asked those in opposition to please stand.

Lisa Mills of 2205 Smith Drive stated last time she was here she spoke about the curve and the grading. She stated she spoke with NCDOT about slowing the traffic down. She stated the River Keepers presentation tonight is the presentation Council needs to take to heart.

Attorney Allen Tew distributed handouts to Council that show the property that would be impacted and stated the south side of the project looks good, but the north side is a different story. He discussed the application he presented in 2017 for the property at Ranch Road and Little Creek Church Road. He discussed his concerns on traffic. He suggested the density be reduced and the trees by the river need to be worked on. He stated there needs to be a TIA that has current statistics.

Sandra Doley of 2020 Smith Drive stated she shares a 700' boundary with the future proposed development. She stated she is not happy with this project. She hopes Council considers everything when making a decision.

David Hoyt of 100 Michael Way stated neighbors of Ole Millstream asked the developers to not insult them by thinking removing one sidewalk is any kind of big concession on their part. No requests from the neighbors have been taken into consideration. He asked Council table their decision until the developer shows some concessions.

Ryan Hunter of 179 Clear Drive spoke on emergency services, this should be taken into consideration.

Appraiser Tony Wayne of 525 W. Walkerwoods Lane stated he has been asked to look at a diminution in value for Ole Millstream. He discussed the road parallel to Michael Way, wetlands, and the lack of road access to the pool, mail, and community center. He stated there could be ramifications down the road.

Mayor McLeod stated the public hearing has been closed and turned over to Council for their deliberation.

Council Member Casey asked if the double silt fence along the east side would encompass all the riparian buffers. Ms. Vega stated yes, on the east side of Brookhill Drive, that includes all the feeder streams. He asked if the overlay has been done with the steep slope ordinance and if not, would they be willing to make a condition that it would not deviate from the ordinance? Ms. Vega stated the steep slopes have been identified and they would not be disturbed. He stated there have been conversations regarding the National Heritage, he asked is that whole area Natural Heritage? Ward Mariotti of Spangler Environmental stated the location and extent of the Natural Heritage area has been reduced by at least half. He has walked the site with Natural Heritage ecologists, and they agreed the location was well beyond areas it was appropriate for. Council Member Casey asked if they know how much of the National Heritage would be disturbed? Mr. Mariotti stated it would not be disturbed.

Council Member Casey discussed the challenges with the buffer along Michael Way and asked what the feasibility is of working with the neighbors. Ms. Race stated they have met with neighbors' multiple times with proposed solutions, and all were turned down. He asked would they be willing to make a condition stating they would preserve the trees in the buffer and plant what they would like to a certain extent. Ms. Race stated yes.

Council Member Archer stated she has proposed language for condition 20. She proposed upon issuance of the 400th CO, the developer shall monitor and study the intersection of Brookhill Drive and Covered Bridge Road for a period of one-year. Analysis shall project full buildout based on the monitoring period and determine if a signal is warranted. If warranted and approved by NCDOT, developer shall construct prior to issuance of the 650th certificate of occupancy. Ms. Race stated to do the study they would need to go out and do a traffic count and prepare a report for NCDOT. They could say they would do that at the 400th CO and if it doesn't meet it, they could monitor it for another year. Council Member Archer stated the way she has tried to build it is at the 400th CO, the project would project full buildout. Mr. Stephenson stated they may want to put prior to the issuance of the 401st CO. He stated he is nervous about putting an exact unit count on it. Mr. Baird stated when we say prior to the 400th we don't want that to be at the second. The intent was to have enough build out, so it's recognized what the traffic patterns are. He stated they want to see a significant amount of buildout to understand what the patterns are. In terms of at what point the improvements are completed, it shows it's warranted at full buildout, we would want to see it done before the full buildout.

Mr. Stephenson asked with the 400th CO, submit a signal warrant study? Mr. Baird stated it was proposed to apply issuance then do the study. Mr. Stephenson proposed going back to 350 and then 650. Mr. Cappola clarified that the CO number 350 is issued, the developer does the count and then it would be monitored for a year at that point? Would they do a one time count then do projections and then determine if it is warranted? Mr. Stephenson stated it would more be like a ladder. He stated monitoring it for a year means they would come back again and do the same thing a year later. Ms. Race stated they are fine doing that.

Council Member Archer stated it would be the condition that she previously stated and that additional monitoring for one year from that 350th CO. She wanted to clarify condition 19 regarding Phase 1. Ms. Race went into detail on this. There was discussion on what is Phase 1. Ms. Race stated there was a phasing plan prepared and submitted to NCDOT for approval. It was stated engineering signed off on the driveway permits. There was discussion on how the TIA is broken down into phases. It was stated all improvements need to be installed prior to 375th CO with whatever phase they serve. Mr. Baird stated he would like to add or if requested by NCDOT or warranted previously by.

Ms. Race clarified all improvements required for the TIA except for the one turn lane in the final buildout would be part of the first submittal of Phase 1.

Mr. Cappola stated final language for condition 19 would say for all improvements listed under the TIA phase 1 would be installed prior to the 375th CO with whichever phase they are associated with subject to NCDOT requirement. Ms. Race stated her concern would be if there are driveways that have not been built yet. Mr. Baird suggested saying installed and operational or installed and accepted by NCDOT. Mr. Cappola stated condition 20 would also reflect 375th. This updated condition was agreed upon by all.

Mayor Pro Tem Sims stated his concern of this project is the timing. He shared his concerns about the traffic. Mr. Cappola wanted to make sure in the language it states that in any condition if there are any discrepancies in the master plan and documents associated with the application that the conditions control. It was stated it is in there.

Council Member Archer stated one thing not mentioned tonight was the owner of the property. She wanted to make sure the property owner and their rights were mentioned in this discussion. She stated the applicant would be required to comply with a lot of federal and state environmental laws and protections. They would need to follow sediment and an erosion control plan.

Council Member Casey stated he would like to capture the other conditions such as the double silt fence, riparian buffers, steep slopes and working with the neighbors on the buffers. Mayor McLeod stated it is hard to take a neighborhood of 75 or 100 people and decide what trees to keep. He stated he felt the applicant would not have to agree with that. Ms. Race stated they have relayed that the offer stands that they are willing to meet on site and walk the buffer. She stated for the record she would reach out again. Council Member Archer agrees with the good faith effort but is not sure about conditionalizing it. She thinks the double silt fence is already a condition. She asked Ms. Race if she would agree to say in a condition all riparian buffers would have double silt fencing east of Brookhill Drive. Ms. Race stated they would add that.

Council Member Archer confirmed there are two traffic conditions for 19 and 20 and a condition for double silt fencing on all riparian buffering. She asked about adding a condition of language that is already in the UDO. Attorney Cauley stated that would not be necessary.

Adoption of Ordinance #2024-04-03 and Statement of Consistency and Reasonableness with Conditions as Noted

RESULT:	CARRIED 4-1
MOVER:	Andria Archer
SECONDER:	Ruth Anderson
YES:	Porter Casey, Andria Archer, Gretchen Williams, and Ruth Anderson
NO:	Michael Sims

8. PUBLIC HEARINGS

- a. FY 2025 Manager Recommended Budget
Presenter: Rich Cappola - Town Manager

Mr. Cappola communicated the recommended budget maintains and enhances the level of service. It was shared the recommended budget for the general funds is estimated to be just a bit over \$53.5 million, water and sewer fund is balanced at \$59.5 million and the electric fund is balanced at \$19.5 million. There was a slide presented that showed the different categories and how the funds were broken down, bringing the total operation to about \$133 million for the fiscal year 2025.

It was reported there has been a request from different departments for additional staffing. Those requests were processed and evaluated. It is recommended the addition of 25 total of FTE. Those 25 total FTE range from Administration, Communications Department, Utility and Building Specialist, I.T., 2 additional Police Officers and 6 firefighter positions. Shared were the mid-year positions that have been deferred due to reorganization as well as positions that are still open. It was communicated to Council at the mid-year review those needs will be reevaluated, based on some other positions being filled. If those needs are still necessary, they will be met to begin recruiting after January 1st. It was stated the water and sewer department have a need for several additional positions due to the growth of the system and Sam's Branch Water Reclamation facility coming online in mid to late 2025. On the slide that was presented were positions indicated in dark blue that have been deferred to mid-year at which they would be considered. Those positions are not currently funded in anyway in the recommended budget.

It was communicated to Council that the General Fund was broken down as followed:

- Ad Valorem Taxes 44%
- State Shared Revenues 21%
- Intergovernmental 7%
- Permits and Fees 4%
- Sales and Services 7%
- Grants and Donations 0%
- Other Financing Sources 5%
- Miscellaneous 6%
- Fund Balance 6%

How tax dollars are spent:

- Public Safety 25%
- Public Works 24%
- Debt Service 5%
- General Government PIO, Economic Development 10%

- Financial and Customer Services 10%
- Community Development Services 2%
- Data and Technology Services 9%
- Engineering 2%
- Inspections 3%
- Parks and Recreation 6%
- Cultural Arts and Library 4%

Budget highlights:

- The General Fund budget is balanced at \$53.5 million. Capital outlay is \$9.9 million. Leveraged debt financing and fund balance appropriation to balance the budget.
- Water and Sewer Fund budget is balanced at \$59.5 million. Capital outlay is \$18 million. A 12.2% combined rate increase is recommended for FY 2025 compared to the projected 16.3% combined rate increase in the prior year rate model.
- Electric Fund budget is balanced at \$19.5 million. Capital outlay is \$2.6 million. A 3% rate increase is recommended for FY 2025 compared to the projected 5% rate increase in the prior year rate model.
- 25 new positions included at a cost of \$1.5 million.

Economic Considerations:

- Consumer Price Index (CPI) inflation rate was 3.4% in April compared to 4.9% for April 2023.
- Personal Consumption Expenditures (PCE) Price Index was 2.7% in March compared to 3.3% for March 2023.
- Federal Reserve Policy - reinflation to 2% target.
 - Rate increases have stabilized
 - Federal Funds rate has remained constant at 5.25% to 5.5% since July 2023, highest in 20+ years
 - Three rate reductions projected for calendar 2024 has shifted to one.
 - Investment income has been adjusted downward due to the anticipated rate cuts.
- GDP increased 3.2% in Q4 2023, 4.9% for Q3 2023, and 9.2% for 2022.
- Federal Reserve doesn't predict a recession in the next three years (2024-2026).
 - Fears about Stagflation are mounting.
 - Stagflation - high inflation, low growth, and rising unemployment (1970s - era).
 - Federal Reserve stated no signs of Stagflation in the economy on May 1, 2024.

Major Revenue Assumptions:

- Recommend \$0.05 tax rate increase to \$0.65 with a 99.7% collection rate. Reserved for funding \$87.5 million of projects in the Capital Improvement Program
 - LAAP Projects
 - Main St. Improvements
 - Public Safety Complexes
 - Public Safety Training Facility
 - Southern Connector Projects
 - Operations Facility and Warehouse

- Library Renovation
- AD Valorem property taxes will grow 15.6%. Value of \$0.01 = \$318,467
- Sales tax revenues will decrease \$19,400 compared to FY 2024 budget or 1.4% higher than the \$8.9 million estimate for FY 2024.
- Single Fire District Funding (Johnston County Fire Protection Service). Claytex Fire Service District abolished.
- Development revenue will decline slightly.

Employee Benefit Assumptions:

- 5% pool for salary adjustments. 2% COLA effective July 1st.
- State Health Plan employer contribution increase = 11.2%
 - State Health Plan deficit without reimbursement for COVID-19 expenses.
- NC Retirement Fund employer contribution increase = 0.75% General and 1% for LEO

What's New:

- \$0.9 million fund balance appropriation - Streets program
- \$2.7 million installment financing for rolling stock, equipment, and IT infrastructure.
- Property Maintenance reassigned to Public Services per recommendation from organization structure study.
- Salaries and benefits for Fire moved to Administration.
- Increased Days Cash on Hand to 120 in Electric Fund.

Final Thoughts:

- FY24 Budget reflected continued use of budgeted funds in an efficient and effective manner:
 - Focus on the Strategic/Master Plans and continuation of quarterly Goals and SOPs/SOGs.
 - Focus on completion of projects.
 - Adjustments made due to ongoing market changes and/or opportunities.
 - Uniformity and efficiency in processes and functions remains ongoing.
- Major fund balance appropriations are not sustainable in the General Fund Budget:
 - Growth will continue into the foreseeable future.
 - Revenues will not increase at the same rate as growth, which will impact services.
 - Recommend performing annual debt capacity and affordability analysis for CIP.
 - Implementation of Organization Structure Study recommendations to achieve operational efficiency.
- Water and Sewer Fund will continue to require rate increases to fund reinvestment in the system.
- Electric Fund will require nominal increases to sustain the financial health of the utility.
- The Town continues to experience strong growth, which impacts all components of operations.
- Economic uncertainty requires a conservative spending strategy.
- Strong financial health requires long-term planning to develop a roadmap for success.

- Leverage debt issuance (bonds and installment finance agreements).
- Ad Valorem tax rate adjustments (revaluation in FY 2026).
- Maximize grant funding opportunities when feasible.
- Develop other funding sources.

Mayor McLeod asked if there were any questions, with there being no questions, Mayor McLeod opened the Public Hearing.

Mr. Grannis commended the Council regarding Carolina Overlook North Conditional Rezoning. Communicated he was surprised by the \$0.05 increase. It was communicated that he understands and the fiscal responsibility of it. Mr. Grannis suggested a flyer be placed in the utility to explain the water and sewer increase.

With no one else wishing to speak, Mayor McLeod closed the Public Hearing over to Council for discussion. Council Member Archer expressed thanks for the FY 2025 Budget Recommendation and proposed a motion to adopt it. It was stated the action would be to approve the budget as presented. Conversation continued on for the motion to be voted on tonight or the next meeting. Council Member Casey stated he was fine with waiting until the next meeting. Council Member Williams stated she was prepared to vote this evening. With the majority prepared to take action, Council Member Archer entered it as a motion.

Mr. Cappola expressed gratitude to the staff for their hard work. Mayor McLeod expressed appreciation to the management team, executive team and the staff.

Adoption of Ordinance #2024-05-07

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Ruth Anderson
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

9. NEW BUSINESS

10. STAFF REPORTS

- Town Manager
- Town Attorney
- Town Clerk
- Other Staff

11. OTHER BUSINESS

- Informal Discussion & Public Comment
 - Individuals have three (3) minutes to address the Town Council.
 - Groups will designate a spokesperson. The spokesperson will have five (5) minutes to address the Town Council.

- b. Council Comments

12. CLOSED SESSION

- a. To Discuss Purchasing of Real Property in Accordance with NC GS 143-318.11(a)(5)

Motion To Go into Closed Session

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

Motion To Return To Open Session

RESULT:	CARRIED 5-0
MOVER:	Michael Sims
SECONDER:	Andria Archer
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

13. ADJOURNMENT

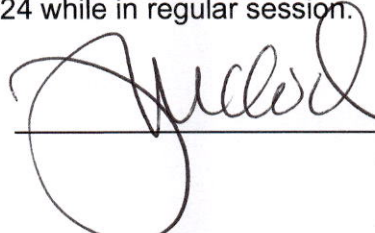
- a. Adjourn

With nothing further, the meeting was adjourned at 11:06 p.m.

Motion To Adjourn

RESULT:	CARRIED 5-0
MOVER:	Andria Archer
SECONDER:	Michael Sims
YES:	Porter Casey, Andria Archer, Michael Sims, Gretchen Williams, and Ruth Anderson
NO:	None

Duly adopted by the Town Council this 17th day of June 2024 while in regular session.



Jody L. McLeod
Mayor

ATTEST:

Heidi L. Holland
Heidi L. Holland, CMC, NCCMC
Town Clerk

