Town of Clayton
Regular Town Council Meeting Minutes
Monday, August 20, 2018 @ 6:00 PM
Council Chambers

COUNCIL PRESENT:
Mayor McLeod
Mayor Pro Tem Grannis
Council Member Lawter
Council Member Holder
Council Member Thompson
Council Member Bunn

STAFF PRESENT:
Adam Lindsay, Town Manager
Nancy Medlin, Deputy Town Manager
Katherine Ross, Town Attorney
Kimberly Moffett, Town Clerk
Samantha Wullenwaber, Planning Director
David DeYoung, Economic & Community Development Director
Ann Game, Customer Service Director

COUNCIL ABSENT:

1 CALL TO ORDER

Pledge of Allegiance and Invocation

2 ADJUSTMENT OF THE AGENDA

a) Mr. Lindsay requested that a Closed Session be added to the agenda under NCGS 143-318.11(a)(3) to retain the Attorney/Client privilege.

3 CONSENT AGENDA

(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Council may request to have an item removed from the consent agenda for further discussion.)

a) NC Governor's Highway Safety Program Grant Resolution

b) Draft Minutes:
- August 6, 2018 - Regular Session
- August 6, 2018 - Closed Session

ACTION: Adoption of Consent Agenda as Presented

Motion: Council Member Thompson
Second: Council Member Lawter
Vote: Unanimous

4 ADMINISTRATIVE ITEMS

a) Warranty Acceptance
- Boling Townhomes, Buildings 47-51

ACTION: Placed on September 4, 2018 Consent Agenda

b) Sanders Family Reconnection Recognition

ACTION: Letter of Recognition

5 INTRODUCTIONS AND SPECIAL PRESENTATIONS

a) New Employee Introductions:
Presenter: Kimberly Moffett, Town Clerk
- Heidi Holland - Deputy Town Clerk

Presenter: Samantha Wullenwaber, Planning Director
- Damiere Powell - Planner

Ms. Holland was introduced as the new Deputy Town Clerk. Heidi began her employment with the town on August 6, 2018. She is very excited to be here. Council welcomed her. Mr. Powell introduced by Ms. Wullenwaber. He will serve as a Planner. She stated everyone was excited to have him on board and Mr. Powell thanked Council for the opportunity. Council extended their welcome.

b) Evolution Track Club Participation in National Championships
Presenters: Rhea Yates, Steve Gunder & Dr. Marilyn Pearson

Dr. Pearson and Steve Gunder presented a PowerPoint presentation regarding Evolution Track Club. The kids who participate in this program range in ages from 8 - 19. They recently attended national championship competitions and did extremely well. Many of the athletes were present and received a warm welcome and congratulations from the crowd.

Mayor Pro Tem Grannis offered his appreciation for the program, spoke about his history, and track championship.

Council offered their sincere thanks and appreciation to the participants and coaches.

Mayor McLeod presented certificates to all the athletes, as well as taking a photo with the entire group.

c) Fire Advisory Board Annual Update
Presenter: Matt Vessie, Board Member

Mr. Vessie was present and offered an annual update on the Fire Advisory Board. He shared information about the purpose, duties, membership, meeting information and milestones of the advisory board. He stated that Clayton Fire Department would serve as host to the East Carolina Firefighters Association in April 2019. He also shared information of how important it was to stay ahead of the unprecedented growth in Clayton. He further stated he is honored to be part of board and spoke very highly of all members.

Mayor McLeod offered thanks and appreciation to all members for their dedication and hard work.

d) Capacity Study Update
Presenters: Charles Davis & Carl Scharfe - The Wooten Company

Mr. Simpson introduced Mr. Davis and Mr. Scharfe.

Mr. Simpson provided an introduction of the study and shared the following important facts:

- Clayton is running out of capacity for future grown and the Raleigh contract is 100% allocated. Both LCWRF (Little Creek Wastewater Facility) and Johnston County are allocated above 90%
- Industrial users are requesting additional allocations.
- LCWRF will be out of capacity in the new few years.
- The current wastewater agreement with Raleigh is limited in duration.
- Due to limited space and future improvement needs at LCWRF, building a new facility on the north side of Clayton is an attractive option.

There was discussion regarding nitrogen and credits and the fact that Clayton can only discharge up to 3.5 MGD with the existing reserve nitrogen allocations. The only way to obtain reserve credits is the addition of nutrient treatment capacity. Additionally, a facility must obtain/purchase enough nitrogen credits to increase the discharge amounts. It is believed a solution would be to construct a new wastewater treatment facility at 5 MGD, but permit is at 3.5 MGD and then pay credit over time. It was stated the new treatment site could be built near the Neuse River on a currently undeveloped parcel.

There was discussion why expansion at the LCWRF would be challenging. It was stated the site could not expand any more in the future. There would be challenges with flow splitting, as well as the location not being located near the growth area in the north, which would require additional changes in sewer lines. Additionally, there would be not a significant cost difference for a new plant versus upgrading at Little Creek. Additionally having a new plant that could be expanded in the future would be much more beneficial.

Mr. Scharfe shared next steps include;

- Choosing option that best meets the need of the community.
- Evaluating options to begin implementation
- Selection of Engineering Firm
- Funding
- Permitting Process
- Moving forward with design of plant
- Developing credit strategy for nitrogen
- Negotiating future wastewater capacity with the County

Information was provided showing a cost comparison of various options.

Council Member Lawter asked about a possible timeline for construction of new plant and it was stated it was most likely a 3-5 year process. There was discussion regarding nitrogen credits. Mr. Davis stated there was a possible opportunity for trading/purchasing nitrogen credit through the association. He further stated other communities are competing for nitrogen credit from the state. There was discussion whether the first objective would be to work out the nitrogen issue. Mr. Davis stated it was a parallel tract. Mayor Pro Tem Grannis asked if nitrogen credits were currently available through the association and Mr. Davis stated he was not aware of what might be available at this time. Mayor Pro Tem Grannis asked what the best recommendation for Clayton might be. Mr. Davis stated much of that decision would be based on the autonomy of the town and further stated that the biggest component facing the town is future industrial usage. Mayor Pro Tem Grannis asked it was a fair assessment to state that 10% or less of current capacity was available and Mr. Davis stated he believed that was a fair assessment.

Staff was asked what the timeline for the Raleigh contract was. Mr. Simpson stated we had completed the first 10 year term and have a second 10-year renewal that provides us the ability to flow to Raleigh until 2026. He further stated it was doubtful that contract would be renewed for ten years, but rather a shorter extension.

Mayor McLeod and council thanked for Mr. Davis and Mr. Scharfe for all this vital information.

e) Water & Sewer Rate Study Part I - Financial Model
Presenter: Robert Chambers, Black & Veach

Mr. Simpson introduced Mr. Chambers.

Mr. Chambers provided a presentation regarding the water & sewer rate study. He shared information regarding the study approach, financial plans, summary results, considerations and next steps.

He stated the purpose of the presentation was to review the initial results of the study and to retain feedback and direction from council.

Provided were in-depth details regarding cost of service analysis that included the following three steps;

- Determining cost by operational cost center
- Allocating cost by operational cost center to functional cost components
- Distributing functional cost components by customer class

He stated the revenue increase would equal the total needed by the system. The rate increase would equal the actual increase on the water and sewer rate schedule and the bill impact would equal the increase in customer's monthly bills.

Mr. Chambers provided charts for the summary results of the combined water/sewer system, the water system and the sewer system.

He shared details about a financial plan and requirements to include; maintenance of current operating expenses and debt service obligations, sustainable implementation of the capital program, water and sewer capacity and establishment of a risk mitigation fund.

There was lengthy discussion about the figures in the financial plan and Council Member Holder asked if all costs had been included. Mr. Chambers stated there were one or two expenses that had not been included and a few tweaks may need to be made moving forward. Mr. Lindsay reminded that all figures were subject to change. Council Member Holder stated he had concerns about future costs.

There was discussion regarding proposal to deposit funds into a fund for 5 years, with these funds only being used should there be a revenue shortfall. Mayor Pro Tem Grannis asked if we were currently doing anything of offset depreciation and Mr. Chambers stated we implement a capital program on an annual basis, but currently do not have a rate stabilization in place.

Mr. Chambers stated consideration needs to be given to implementing a 5-year financial plan, risk mitigation fund and internal due diligence regarding implementation. He stated the next steps would be to complete the cost of service analysis and complete the rate design analysis. He stated he would return on September 17 for council direction.

Council Member Lawter requested a workshop be held, as this was a very difficult and complex decision. Mayor Pro Tem Grannis asked if this pertained to the 2018-2019 or 2019-2020 fiscal year and Mr. Chambers stated it referred to 2018-2019 and rate increases would be effective January 2019. Mr. Lindsay as asked if this was currently included in the budget and Mr. Lindsay stated it was not.

6 PUBLIC HEARINGS

a) 2018-36-SD - Canady Landing Subdivision - (Quasi-Judicial)
Presenter: Planning Department

Attorney Ross provided information regarding a quasi-judicial proceeding and the types of testimony allowed for consideration. She further stated anyone wishing to offer testimony must do so under oath. The clerk issued the oath via affirmation to those wishing to offer testimony.

Mayor Pro Tem Grannis stated he currently is working under a contract with the developer of this project; however, this is in no way affiliated with this application and offered to recuse himself. Attorney Ross asked if he felt could provide an unbiased opinion. Mayor Pro Tem Grannis stated he could and Attorney Ross stated there was no reason for recusal.

Ms. Wullenwaber stated the applicant is requesting to develop a 12 lot conventional subdivision off Jack Road, which is located in our ETJ. Total acreage of property is 19.263 acres, however, proposed development would be on only 8.5 acres of the property. Project would be single-family homes with density of 1.4 units per acres. Water to be provided by Johnston County, private septic and electric to be provided by Duke Energy.

The project is consistent with the 2040 Comprehensive Plan, Surrounding Land Uses and Unified Development Code (waivers requested below). The applicant addressed all Findings of Fact in application.

The applicant is requesting the following waivers:

- Waiver from providing a curb and gutter street
- Waiver from providing sidewalks

Staff supports waivers with fee-in-lieu as outlined in conditions included in staff report. Staff is requesting addition of the following condition:

"Class A Buffer shall be installed along the entirely of the property line to the east and the property line to the west that contains a single family dwelling."

Mayor McLeod asked for definition of a Class A buffer. Ms. Wullenwaver provided the definition.

Attorney Ross asked it were the opinion of staff that this condition was being requested as to not violate the character of the existing standards for development of properties in the surrounding area. Ms. Wullenveraber stated that was a true statement.

With there being nothing further of staff, the applicant addressed council.

Mr. James Lipscomb, 328 E. Main Street, asked for clarification regarding the numbering of Findings of Fact on Motion Sheet versus the application. Attorney Ross stated it did not matter; it was strictly a numbering issue. Mr. Lipscomb introduced Donnie Adams. Mr. Adams shared his credentials and stated he was a professional engineer,

Mr. Lipscomb read all Four Findings of Fact and asked Mr. Adams if it were is professional opinion they had been met. Mr. Adams stated it was his professional opinion that all Findings of Fact had been met.

Mr. Lipscomb introduced Mr. Mark Jones who provided his credentials. Mr. Jones stated he is a commercial real estate appraiser and has been for over 21 years and has worked for numerous municipalities in Johnston County. He stated he looked at the area around the proposed project. He stated there are some agricultural, single lots, residential subdivisions and mobile homes located in the area. He stated the overall theme is low density, infill type area with no real large tracts having been developed in this area. It is his professional opinion this project fits in very well in this area.

Mr. Lipscomb spoke about request for waiver of fee-in-lieu as well the Class "A" buffer. He stated he had never seen that previously and further stated that requiring a Class A buffer would be a hardship.

Mr. Lipscomb asked staff for clarification regarding the class A buffer and location. Ms. Wullenwaber stated it would be at the front of the property line of lot #1 and any area where there is no vegetation.

Mayor McLeod opened the floor to those wishing to speak.

Mr. McLeod, a nearby landowner, shared his concerns regarding the buffer and the need for it. He requested consideration in keeping the quality of his life as it is and would not like to have to look at chain link fences, etc.

Mr. Jennings stated he was also in favor of the buffer. He also stated he had not seen plans of the proposed homes. He also shared his concerns about traffic and his ability to turn left off Jack Road. He stated he would like to see more details of the project as it moves along.

With there being nothing further, the item was turned over to council for deliberation at 7:56 p.m.

ACTION: Approval of 2018-36-SD Conditions as listed in Staff Report and added condition of Class A Buffer as per Staff

Motion: Council Member Lawter
Second: Council Member Holder
Vote: Unanimous

7 ITEMS SCHEDULED FOR THE UPCOMING TOWN COUNCIL MEETING

8 OLD BUSINESS

9 NEW BUSINESS

a) Recommendation of Appointments to DDA
Presenter: David DeYoung, Economic & Community Development Director

Mr. DeYoung stated interviews were recently held and staff is presenting the following recommendation as appointments to the Downtown Development Association Advisory Board:

Alison Kilpatrick - Term Expiration 6/30/2021 - New Appointment
Neal Stancil - Term Expiration - 6/30/201 - New Appointment
Kim Lawter - Term Expiration - 6/30/2021 - Re-Appointment

ACTION: Appointment of Nominees

Motion: Mayor Pro Tem Grannis
Second: Council Member Holder
Vote: Unanimous

b) 2018-67-OA - Dumpster Amortization Ordinance Amendment
Presenter: Planning Department

Ms. Wullenwaber stated this item will be heard at the August 27, 2018 Planning Board. This amendment will require that dumpsters be enclosed within a three-year period.

She further stated there are numerous upcoming projects and staff is trying to spread out the timing of public hearings.

ACTION: Set Public Hearing for September 4, 2018

c) 2018-133-RZ - Tew Court Rezoning
Presenter: Planning Department

ACTION: Set Public Hearing for September 4, 2018

d) 2018-156-RZ - Avalon Rezoning
Presenter: Planning Department

ACTION: Set Public Hearing for September 4, 2018

e) 2018-59-SD - Camel Street Townhomes Major Subdivision - (Quasi-Judicial)
Presenter: Planning Department

ACTION: Set Public Hearing for September 4, 2018

f) 2018-61-SUP Camel Street Townhomes Special Use Permit - (Quasi-Judicial)
Presenter: Planning Department

ACTION: Set Public Hearing for September 4, 2018

g) Comprehensive List of Fees & Charges Amendment - Sewer High Strength Surcharge
Presenter: Ann Game, Utilities & Billing Director

Ms. Game presented and stated this fee is a pass-through fee from Johnston County and it will only effect Industrial/Commercial customers.

ACTION: Set Public Hearing for September 4, 2018

10 STAFF REPORTS

a) Town Manager

b) Town Attorney

c) Town Clerk

d) Other Staff

- Updated Format of Comprehensive List of Fees & Charges
  Presenter: Nancy Medlin, Deputy Town Manager

Ms. Medlin provided updated format. This new format consists of only 9 pages, while the previous version had 30+ pages. It is hoped that both developers and residents find it to be user friendly and meet their expectation. Mayor Pro Tem Grannis and Council Member Bunn offered their thanks and appreciation.

11 OTHER BUSINESS

a) Informal Discussion & Public Comment

James Lipscomb, 328 E. Main Street addressed council regarding non-residential utility deposit policy. He shared history, stated Vinson's had to place a $5,000 deposit, and the current policy would require a waiting period of 18 months before a portion of the deposit could be returned. He spoke about his good credit history with the town and hoped that would have some effect. Mayor McLeod stated this item was worth a discussion and council would consider it.

Council Member Holder stated he had a complaint from resident regarding how bad some areas look with high grass and junk cars. Mayor McLeod stated he also had heard complaints about the same issue. While he understands that the recent heavy rains may have added to issues with high grass, he has concerns about leniency of furniture on porches. He asked this be looked into and further stated that perhaps staff and PIO need to work to create awareness about these issues.

Council Member Bunn offered his thanks to Chief Myhand for the event recently held at Walmart; "Pack the Police Car" with school supplies. He stated it was a great event. Mayor McLeod offered thanks and appreciation regarding National Night Out and stated it was an awesome event.

b) Council Comments

12 CLOSED SESSION

a) Pursuant to NCGS 143-318.11(a)(3) to retain attorney/client privilege.

<u>**ACTION:**</u> Motion to go into Closed Session at 8:23 p.m.

Motion: Council Member Holder
Second: Mayor Pro Tem Grannis
Vote: Unanimous

Returned from Closed Session at 8:37 p.m.

13 ADJOURNMENT

With there being nothing further, the meeting was adjourned at 8:37 p.m.

ACTION:	Motion to Adjourn
Motion:	Mayor Pro Tem Grannis
Second:	Council Member Holder
Vote:	Unanimous

Jody L. McLeod
Mayor

ATTEST:

Kimberly A. Moffett

Kimberly A. Moffett, CMC, NCCMC
Town Clerk

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APRIL 1869
CLAYTON, N.C.