

A worksession of the Carrboro Board of Aldermen was held on Tuesday, April 10, 2007 at 7:30 p.m. in the Town Hall Board Room.

Present and presiding:

Mayor	Mark Chilton
Aldermen	Joal Hall Broun arrived at 8:40 pm
	Dan Coleman arrived at 7:42 pm
	Jacquelyn Gist
	Randee Haven-O'Donnell
	Alex Zaffron left at 9:01 pm
Town Manager	Steven E. Stewart
Town Attorney	Michael B. Brough
Deputy Town Clerk	Sharmin E. Mirman

Absent:

Alderman	John Herrera
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EXPLANATION OF OWASA'S PLANS TO INCREASE CONNECTION FEES FOR NEW CUSTOMERS FOR WATER AND SEWER SERVICES

The purpose of this agenda item was to have OWASA officials explain the need for a substantial increase in sewer service availability fees for new customers.

Mac Clarke, Chair of the OWASA Board of Directors, addressed the Board and answered questions.

Kevin Ray made a presentation to the Board regarding OWASA's plans to increase connection fees for new customers. He also answered questions.

Mayor Chilton asked that the Carrboro and Chapel Hill Inspections Divisions coordinate with OWASA when building permits are obtained for additions to homes.

Mr. Clarke stated that they would explore with Chapel Hill and Carrboro town staffs to coordinate this information.

Alderman Alex Zaffron suggested that whenever housing modifications or additions cause a structure to jump past one of the break points in OWASA's rate structure, then the town could share that information with OWASA.

Mayor Chilton expressed concern about charging people for the replacement cost of assets, like University Lake, which we do not intend to replace.

Alderman Gist asked if the connection and the availability fees are the same and if the University will pay the same fee as everyone else.

Mac Clarke said that they are the same and that originally the University was exempted, but now they pay fees.

Alderman Gist asked if the connection fee could be lower for new homes with small lawns that do not use much water for landscaping.

Mr. Clark said that the sewer availability fee goes up with house size at a ratio of 2:1 because sewer use does not increase that much with larger houses, but that the water availability fee goes up with house size at a ratio of 6:1

because water use in and around larger houses has been shown to rise quickly with house size.. Mr. Clarke also pointed out that inverted block rate structure will further discourage people from using large amounts of water to irrigate their lawns.

Alderman Gist said if the fee was lower for housing that did not have water-intensive landscaping, it could benefit communities financially.

Alderman Zaffron stated the numbers in Exhibit 5: Comparison of Uniform and Tiered Service Availability Fees are cited from 1998, and that in future discussions it would be useful to show how the proposed new rate structure would work compared to previous rate structures.

Mr. Zaffron also stated that he found it inequitable and problematic that OWASA will now start using the availability fees to back charge for outstanding principal when previously the availability fees were not used for this purpose.

Mr. Ray stated that we are entering a new era where we are going to have to raise large new sums for infrastructure investment and that this justifies making this change at this point.

The following resolution was introduced by Alderman Alex Zaffron and duly seconded by Alderman Dan Coleman.

A RESOLUTION RECEIVING A REPORT FROM OWASA ON
INCREASING AVAILABILITY FEES
Resolution No. 168/2006-07

WHEREAS, at least one member of the Board of Aldermen has expressed an interest in the reasons behind increasing water and sewer availability fees, and

WHEREAS, OWASA personnel have provided a report explaining of these increases,

NOW THEREFORE BE IT RESOLVED that the Board of Aldermen do hereby receive the report.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 10th day of April 2007:

Ayes: Mark Chilton, Dan Coleman, Jacquelyn Gist, Randee Haven-O'Donnell, Alex Zaffron

Noes: None

Absent or Excused: Joal Hall Broun, John Herrera

APPOINTMENTS TO THE BOARD OF ADJUSTMENT

The following resolution was introduced by Alderman Alex Zaffron and duly seconded by Alderman Dan Coleman.

A RESOLUTION MAKING APPOINTMENTS TO THE
BOARD OF ADJUSTMENT
Resolution No. 169/2006-07

WHEREAS, there are currently six vacant seats on the Board of Adjustment; and

WHEREAS, these positions have been advertised and Thomas Arnel, Mark Brantley, David Collins, Catherine DeVine, Robert Kirschner and Sriv Navaratnam have submitted applications.

NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO RESOLVES:

Section 1. The Board of Aldermen hereby appoints Thomas Arnel, Mark Brantley, David Collins and Robert Kirschner to the Board of Adjustment. Their terms will expire as follows:

APPOINTEE	TERM EXPIRATION
Thomas Arnel	February 2010
Mark Brantley	February 2009
David Collins	February 2010
Robert Kirschner	February 2008

Section 2. This resolution shall become effective upon adoption.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 3rd day of April 2007:

Ayes: Mark Chilton, Dan Coleman, Jacquelyn Gist, Randee Haven-O'Donnell, Alex Zaffron

Noes: None

Absent or Excused: Joal Hall Broun, John Herrera

REPORT ON REVOLVING LOAN FUND

The purpose of this item is to provide the Board of Aldermen with an overview of the Revolving Loan Fund and review the process and criteria used by the fund to start or expand businesses in Carrboro.

James Harris, the town's Community and Economic Development Director, addressed the Board.

[Alderman Broun arrived at the meeting.]

Mayor Chilton asked about working with Good Works to help educate potential entrepreneurs in developing business plans.

Mr. Harris said they are considering using SBTDC, and are following up on Michael Shuman's suggestion about growing small businesses and doing the leakage analysis. He stated that the town staff is proposing a training program for small businesses which would prepare them for applying for loans.

Mayor Chilton asked whether item #13 in the Revolving Loan Fund Criteria, which states that the applicant must be turned down by at least two banks, is necessary and if it could be removed because it could injure a credit score.

Mr. Harris stated documentation from the bank is necessary to show us that the applicant really needs a loan from the town. If the bank is willing to loan a portion of the money, Carrboro can become a bridge lender and both the bank and the town take a portion of the risk.

Alderman Zaffron stated that the program is not for those who can secure conventional financing.

Mayor Chilton said what is needed is to reword the language of Item #13.

Alderman Broun cautioned the Board that there needs to be a level of standard to provide documentation for a loan.

Alderman Coleman agreed about the change to the language. Of the \$600,000 that we have available, only a third is currently committed. He suggested that it is a reasonable goal to have two thirds of those funds committed at any one time.

Alderman Gist said she hears that the loan process takes too long and asked if we can get an outline of when applicants apply and when they get the loan. She suggested that the town staff track inquiries and asked for a time line of the loan process.

Alderman Broun stated that we only have one staff person handling the Revolving Loan Fund. Other, similarly situated institutions have more than one person processing loan applications and looking at the data. If we want to get things done faster, the Board has to decide if it will apply more human resources to that priority.

Mr. Stewart said that the town staff receives inquiries in all forms and sometimes, if a person has not researched and thought through it, Mr. Harris sends them out to work it out and come back. If folks have done their homework, it is a different situation.

Alderman Zaffron stated that a comment he made during the retreat about not being aggressive in promoting the program was misunderstood by the media.

James Harris stated that after the newspaper article, he received many calls, but 90% of the people were looking for grants, not loans.

Alderman Coleman asked if Criteria #9, that has to do with job creation, was tied to the original source of funds through a CDGB grant.

Mr. Harris said that for every \$10,000 received from the fund, we expect to create one job. He stated that the Board set that up.

Alderman Coleman asked if we could modify it if we wanted to.

Mayor Chilton said it was worth considering. CDBG has a standard for how many dollars per job. He asked that the town staff can inquire about that number.

Mr. Harris said that the applicants have always created more jobs than required.

Mayor Chilton said it would be good to specifically articulate a plan about how we are proceeding to publicize and make the money accessible.

Alderman Coleman asked if Criteria #2, regarding the size of facility, implied that it could not be part of a home-based business, if, for example, someone was expanding their home office and bringing in an assistant.

Mr. Harris said it could be used for that purpose.

Alderman Haven O'Donnell asked for payoff dates for existing loans.

Mayor Chilton asked for the current CDGB requirements about the number of dollars per job and if town staff would revise the wording in Criteria #13.

The following resolution was introduced by Alderman Randee Haven-O'Donnell and duly seconded by Alderman Alex Zaffron.

A RESOLUTION ACCEPTING THE REPORT ON THE REVOLVING LOAN FUND
Resolution No. 164/2006-7

WHEREAS, the Carrboro Board of Aldermen have been discussing the Revolving Loan Fund as part of their discussions on expanding business opportunities and commercial tax base in Carrboro, and

WHEREAS, the Revolving Load Fund has been in existence for 20 years, and

WHEREAS, at the Board's annual retreat in January of 2007 the Board requested an update on the Revolving Loan Fund, including the criteria used for awarding loans, and

WHEREAS, the Community and Economic Development Director has presented that update,

NOW THEREFORE BE IT RESOLVED that the Carrboro Board of Aldermen do hereby accept that report.

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 10th day of April, 2007:

Ayes: Joal Hall Broun, Mark Chilton, Dan Coleman, Jacquelyn Gist, Randee Haven-O'Donnell, Alex Zaffron,

Noes: None

Absent or Excused: John Herrera

[Alderman Zaffron left the meeting.]

DISCUSSION OF LEADERSHIP ADVISORY COMMITTEE FINAL REPORT

The purpose of this item was for the entire Board to have an opportunity to discuss the final report of the Leadership Advisory Committee.

Mayor Chilton stated that a key topic is the footprint of Carolina North and how much will remain open space and how much will be developed.

James Carnahan addressed the Board and stated that Carolina North will be a model of ecological, social and economic sustainability.

Alderman Coleman commented that the Long-Range Transit Committee had been told that the submittal of the application would not interfere with consideration of the transit site.

Alderman Broun inquired about whether there were any overtures on either side to discuss the University not agreeing to the housing commitments.

James Carnahan stated that he contacted a Chapel Hill group called Neighbors for Responsible Growth and proposed having a public forum to review principles from the Leadership Advisory Committee and to have the opportunity to compare concepts and give the public a chance to comment on Carolina North. He stated that this event is tentatively scheduled for June 4th.

Alderman Broun stated that she wants a continuing discussion on housing affordability. She cautioned the Board to think about what will become of the trash now that the County Commissioners approved the Transfer Station. It is an issue that is not in the report and has not been discussed

Mayor Chilton stated that Carrboro, Chapel Hill and Orange County have committed to work together regarding solid waste but the University has never made a commitment about what they will do with their solid waste. He also stated that we need to be aware that Carolina North will have a huge impact on Estes Drive Extension and downtown and suburban Carrboro.

Alderman Haven O'Donnell thanked Mr. Carnahan. She stated that the LAC report states that UNC is only offering one school, but the data clearly indicates that more than one will be needed.

Alderman Broun said that we are the only district which has an addition of students at the high school level.

Mayor Chilton said that we want to get more school sites but they do not necessarily have to be at Carolina North

Alderman Gist asked if they are committed to paying school impact fees.

Mr. Stewart said they have not gotten into those discussions yet.

Mayor Chilton stated that a relatively small percentage of the total cost (only about 10%) comes from impact fees.

CHARTER AMENDMENT REGARDING SPECIAL ASSESSMENTS

Mike Brough stated that the town's request for a Charter amendment regarding special assessments would be considered by a legislative committee tomorrow morning and asked whether the Board would like for him to attend this session or whether a member of the Board could attend.

Mayor Chilton asked Mr. Brough to represent the town.

DUKE ENERGY ACCESS AGREEMENT

Mike Brough stated that in order to construct the sewer line as part of the northeast area annexation, the town needs to acquire access to the construction site via an existing Duke Energy power line easement. Duke Energy has agreed to grant the town access, provided that we enter into a formal agreement with them.

A MOTION WAS MADE BY JOAL HALL BROUN AND SECONDED BY DAN COLEMAN TO AUTHORIZE THE TOWN MANAGER TO SIGN THE AGREEMENT WITH DUKE ENERGY ON BEHALF OF THE TOWN. VOTE: AFFIRMATIVE FIVE, ABSENT: TWO (HERRERA, ZAFFRON)

CANCELLATION OF APRIL 17TH BOARD MEETING

Mr. Stewart stated that several of the items on next week's agenda would not be ready and suggested that the Board cancel that meeting.

MOTION WAS MADE BY JOAL BROUN AND SECONDED BY DAN COLEMAN TO CANCEL THE APRIL 17TH BOARD MEETING. VOTE: AFFIRMATIVE SIX, ABSENT ONE (HERRERA)

MOTION WAS MADE BY JOAL BROUN AND SECONDED BY JACQUELYN GIST TO ADJOURN THE MEETING AT 9:47 P.M. VOTE: AFFIRMATIVE SIX, ABSENT ONE (HERRERA)

Mayor

Town Clerk