A budget worksession of the Carrboro Board of Aldermen was held on Tuesday, May 8, 2007 at 7:30 p.m. in the Town Hall Board Room.

Present and presiding:

Mayor Mark Chilton
Aldermen Joal Hall Broun
Dan Coleman

Jacquelyn Gist John Herrera

Randee Haven-O'Donnell

Alex Zaffron

Town Manager Steven E. Stewart
Town Attorney Michael B. Brough
Town Clerk Sarah C. Williamson

PROCLAMATION ISSUED

Mayor Chilton issued a proclamation proclaiming May 8-15 as Disability Awareness Week in the Town of Carrboro.

Ellen Perry asked that the town send a letter to President Bush urging the United States to sign and ratify the United Nations Convention on the Rights of Persons with Disabilities.

Mayor Chilton stated that he would send a letter to the President.

RESPONSES TO BOARD'S QUESTIONS FROM MAY 1ST

1. Mayor Chilton asked the town staff to consider providing a minimal level of recycling at town parks.

George Seiz, the town's Public Works Director, stated that the town staff proposes the following:

- 1. A pilot program to collect plastic bottles and aluminum cans at Anderson Park and Wilson Park.
- 2. Public Works will utilize 9 blue recycling containers (in stock) that have a small round hole cut in the top to receive bottles and cans.
- 3. The blue recycling containers will be placed near ball fields and shelters. Public Works feels it's important to have the recycling containers in close proximity to higher usage areas to increase chances of deposit. The 9 containers in stock should be enough to cover the higher usage fields and shelters at the two parks.
- 4. There may be two options for emptying the containers. One option is for Public Works crews to collect the materials and take them to a drop off center. A second option may be to roll the carts to an area along the parking lot where Orange County Solid Waste crews may be able to empty them. Both options will be explored and details would need to be worked out.

It was the consensus of the Board to instruct staff to proceed with this pilot program with the request for a status report in October 2007.

2. Mayor Chilton asked that staff look into offering a health insurance stipend of approximately \$1,500 for the seven permanent part-time employees.

Desiree White, the town's Human Resources Director, stated that it is possible to provide a payment to the permanent, part-time employees. The payment would be considered taxable income to the permanent part-time employee. The \$10,500 for the seven part-time employees is not included in either of the proposed budget options. If the Board chooses to authorize this payment, it should clearly state that it does not apply to permanent, full-time employees.

3. Alderman Broun asked for projected costs for subsequent years for such a health insurance stipend program. In addition, she asked if the stipend could be sheltered through the flexible spending plan.

Desiree White stated that the future costs of such a payment would be controlled by the Board. It could be tied to the consumer price index (or some other index) or be based on budget conditions from year-to-year. It does not appear possible to shelter this payment for health insurance premiums through a flexible spending plan as a result of federal Health Insurance Portability and Accountability Act (HIPAA) regulations.

4. Alderman Gist asked that the Mayor forward a letter to federal and state leaders expressing the Board's concern about the problems with the healthcare system.

Mayor Chilton stated that he would be sending the letter.

5. Alderman Coleman asked that the town staff consider eliminating the reservation fee for use of the Town Commons for four hours or less.

Anita Jones-McNair, the town's Recreation and Parks Director, stated that the town staff would like to Board to consider the following:

- Department/Town will reserve space for preparation, implementation and clean-up for community events. (current)
- Maintain current reservation process which may require insurance by the group or individual reserving the facility. Insurance is required if the event includes major physical activity and moderate/severe exposure to participants; expected attendance of over 500; large amounts of cash (\$1000+) or quantities of merchandise will be brought onto Town Property, and food will be served and/or sold to the general public. (current)
- Reservation is free if staff does not work during the event, no public access to Town Hall bathrooms, no money exchanged during the event and electricity is not used. (*This reservation option can only be used once a month so that more will have an opportunity to reserve the space*) (proposed)
- Reservation fee \$75 for reservations up to 4 hours which includes staffing, public access is available to Town Hall bathrooms and electricity if needed. (proposed)
- Reservation fee will be \$150 for reservations over 4 hours which includes staffing, bathroom facilities and electricity if needed. (current)
- An additional \$25 charged if the event is approved to sell goods or services. (current)

Alderman Coleman expressed his desire to leave the fee at \$100 for 0-4 hours if staff services are provided.

6. Alderman Coleman also asked that the privilege license fee for small businesses be adjusted by creating a tier system. For example:

| GROSS RECEIPTS | FEE |
|----------------------|---------|
| \$0 - \$25,000 | \$10.00 |
| \$25,000 - \$50,000 | \$25.00 |
| \$50,000 - \$75,000 | \$50.00 |
| \$75,000 - \$100,000 | \$75.00 |

Bing Roenigk, the town's Assistant Town Manager, stated that the fee for a privilege license is set each year by the Board of Aldermen and is based on the locally implemented/controlled gross receipts schedule and/or the maximum privilege license tax amounts as established in the General Statutes. The fee varies depending on the occupation or business and some businesses will pay both the state mandated fees and the locally controlled gross receipts amount. If we were to adopt the additional tiers based on the current year revenue experience to date, (note, the tiers below are slightly modified), there would be a potential revenue loss of \$1,655, provided all businesses stay in town.

BUSINESSES REPORTING GROSS RECEIPTS \$100,000 OR UNDER IN FY06-07

| | | | PROPOSED | | |
|----------------------------|-----|-------|----------|-----------------|------------|
| | CUF | RRENT | BY D. | (LOSS)/ | # |
| LICENSE # | FEE | | COLEMAN | EARNINGS | BUSINESSES |
| Tier: 0-25,000 range | \$ | 2,350 | \$ 470 | (1,880.00) | 47 |
| | | | | | |
| Tier: 25,001-50,000 range | | 900 | 450 | (450.00) | 18 |
| | | | | | |
| Tier: 50,001-75,000 range | | 400 | 400 | 0.00 | 8 |
| | | | | | |
| Tier: 75,001-100,000 range | | 1350 | 2025 | 675.00 | 27 |
| | | | | | |
| GRAND TOTAL IMPACT | \$ | 5,000 | \$ 3,345 | (1,655.00) | 100 |

Caveats:

Gross receipts - entirely a locally-implemented fee structure

Some businesses pay gross receipts as well as state-mandated privilege license fees

Example: A hair salon gets charged \$2.50 per salon chair by state statute;

Town charges gross receipts for products sold by the salon.

The estimated gross receipts are reported by businesses on Privilege License Form

Gross receipts reported are signed by notary signature but not confirmed or audited by Town

Alderman Coleman proposed the following schedule:

| GROSS RECEIPTS | FEE |
|----------------------|----------|
| \$0 - \$25,000 | \$25.00 |
| \$25,000 - \$50,000 | \$50.00 |
| \$50,000 - \$100,000 | \$100.00 |

It was the consensus of the Board to consider changes in the privilege license fees for the FY2008-09 budget.

7. The Board also discussed the Ten-Year Plan to End Homeless. While funding was not specifically discussed, staff does want to make the Board aware that \$8,400 is set aside in the Town's Human Services Budget to support this effort. Carrboro's share represents 14% of the total cost. If the Board does not wish to allocate these funds, the Human Services Commission may then be able to allocate funds for other nonprofit requests.

James Harris, the town's Community and Economic Development Director, asked whether the Board was interested in funding this request.

Mayor Chilton asked that the Human Services Commission consider the funding request.

ADDITIONAL QUESTIONS FOR TOWN MANAGER AND STAFF

Alderman Coleman suggested the following:

- That the Board's second budget worksession be held after the public hearing on the Manager's budget starting with the 2008-09 budget
- In decision review packet, show the return on investment where applicable, and that the narrative indicate the cost implications of not taking a proposed action
- That significant increases be footnoted with an explanation
- That interdepartmental savings be highlighted
- That the town increase marketing of the Century Hall for weekday usage

Alderman Coleman asked that the town staff investigate possible savings in:

- Adjusting the schedule for sidewalk construction
- Advisory board budgets
- Advisory board recognition dinner

MOTION WAS MADE BY JACQUELYN GIST AND SECONDED BY JOAL HALL BROUN TO ADJOURN THE MEETING AT 9:20 P.M. VOTE: AFFIRMATIVE ALL

| | Mayor |
|----------|-------|
| | |
| wn Clerk | |

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