

April 5th, 2010

At 7:00 P.M., on Monday, April 5th, 2010, in the Board Room of the Landis Municipal Building, Mayor Dennis Brown called to order the Town of Landis Board of Aldermen regular meeting. Those present along with the Mayor were Aldermen Tony Hilton, Roger Safrit, Craig Sloop and James Furr, Town Manager Reed Linn, Public Works Director Steve Rowland, Recreation Director Julie Noblitt, Police Chief Brian McCoy, Deputy Town Administrator Debbie Goodman, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

A quorum was met.

Mayor Dennis Brown welcomed all those in attendance.

The invocation was led by Alderman James Furr.

The pledge of allegiance was led by Mayor Dennis Brown.

Alderman Furr motioned, seconded by Alderman Safrit, to adopt the amended agenda with the addition of item #8-A, a presentation from Connor Construction concerning the Town's pool. All voted aye.

Alderman Hilton motioned, seconded by Alderman Sloop, to adopt the consent agenda as presented. All voted aye.

Alderman Safrit motioned, seconded by Alderman Furr, to adopt the minutes from the March 1st, 2010 Regular Meeting and the March 13th, 2010 Budget Retreat as amended. All voted aye.

Brandan Scully, from O'Brien and Gere, then addressed the Board concerning the sewer video project. He stated that he had brought the half of the videos that they had inspected with him and showed the Board several images detailing some of the obstructions found in the system. He also went over what the various levels of defects were, and how they ranked as far as repair went.

The predominate defect in the Town's sewer lines was root infiltration.

Fifty percent of the system had been inspected (as far as review of the videos was concerned). The Town's highest priorities should be defects that rated 4 and 5.

Upon review, some pipes were missing sections all together. There were 107 Grade 5 defects and 193 Grade 4 defects so far. Using the results so far, they estimated after everything was inspected that it would cost approximately \$11,860,000.00 to repair all Grade 4 and 5 defects. Mr. Scully explained to the Board how they had reached that estimated cost.

He also added that the actual condition of the remaining lines, as well as the actual sewer depth would affect the final number. Once the USDA sewer rehabilitation bids came in, they would have a better idea. They would have the remaining videos in hand on Wednesday.

The report that this study generated could be used to seek grant money.

Mike Acquesta stated that the state of North Carolina had announced a new grant program – a stimulus grant. Once he had the report, he would sit down with Town Manager Linn to see what direction they wished to explore. The deadline to submit a letter of intent for the grant was April 30th, 2010 and it was a wastewater only grant.

Eva Harris, the president of Connor Construction, then addressed the Board concerning the Town's swimming pool. She stated that she had been working with Recreation Director Julie Noblitt to get the pool repaired. They were doing the VGB work on the pool to get it up to standards, but the report she was giving tonight had nothing to do with that work.

She went on to state that the pool is leaking approximately 400,000 gallons per year; and that she had provided Director Noblitt with an itemized report on what needed to be done to the pool and how it could be done. The pool was down to bare concrete, which is not waterproof. There were two options available to address this issue. They could either paint the pool, which could be done for under \$10,000.00 and would last three to four years, or they could re-plaster the pool which would cost less than \$20,000.00 and would last for around fifteen years.

The skimmers needed replacing or repairing as well. To repair them would cost between \$2,000.00 and \$3,000.00 and replacing would cost \$15,000.00. The skimmers are very antiquated, and repairing them could give them an additional life of five to ten years, but there was really no way to be certain.

The pumps and motors on the pool are not energy efficient and she advised that they would save money over time by replacing them. The ones currently installed were over twenty years old, most likely the original units that had been installed when the pool was first opened.

Upgrading the filters would cost approximately \$15,000.00, the pool currently had three.

The Board inquired what simply building a new pool would cost; Ms. Harris stated that a new pool with a kiddy area would probably cost around \$200,000.00.

Alderman Hilton inquired if there was a void area beneath the pool where the water had been leaking out. Ms. Harris stated that there was no way to be certain until the VGB study had been conducted.

The VGB study had to be done for the pool to be able to be compliant to standards and be able to operate. The cost of that study was \$5,770.00. By law, each drain has to be able to handle 100 % of the pool's flow. They would be going from 8" drains to 18" drains.

Public Works Director Rowland commented that they needed to find out what the Board wanted to do this year soon so they would know what needed to be done to get the pool repaired and opened for the 2010 season. They could hire a company to do any sealing, but the Public Works employees could handle the labor of any painting that needed to be done.

The Board then received the proposed Water Shortage Plan for the Town of Landis. The Town was required by the state to develop and re-evaluate its water shortage plan. What they had done was simply mirrored Kannapolis' plan since Landis received most of its water from Kannapolis and generally followed their guidelines when it came to water restrictions. To approve the plan, the Board would need to accept the provided resolution.

Alderman Furr motioned, seconded by Alderman Safrit, to pass the Water Shortage Response Plan Resolution. All voted aye.

The Board then received a request from True Homes to approve several lots for Phase I of the Oaks subdivision. Phase I had already been approved, the developer simply wants the lots recorded so that they can begin construction on them. They were not asking for any changes in the conditions put upon the development.

Alderman Safrit stated that he was pleased with how the development was growing and reminded everyone that True Homes did not build homes until they had already been sold.

Alderman Safrit motioned, seconded by Alderman Sloop, to approve lots 42, 43, 44, 131 and 132 in Phase I of the Oaks. All voted aye.

The Board then received information on video sweepstakes establishments from Alderman Roger Safrit. Alderman Safrit stated that he had spoken to Senator Brock about the subject and the matter would be coming back up but they still had no idea what exactly would happen on the state level.

Town Manager Linn stated that the owner/operator of the sweepstakes parlor in Landis was appealing to the Board of Adjustments for a variance.

Alderman Safrit stated that he would like to see the Town's attorney Rick Locklear draw up a resolution to control this matter as Kannapolis had done. He stated that it was not all about revenue, but right now the businesses were getting away with paying nothing.

Mr. Locklear asked the Board to review the information that he had provided to him that he had received at a seminar he attended in Chapel Hill. They had discussed video gaming at length at the seminar. There were several ways to approach the matter, one being through law enforcement; another way was through zoning. One argument against taxing was that by taxing the establishments it is also saying that they can operate.

The question really is what they could legally do. Two establishments had been successful getting around things and the establishments seemed to be "one step ahead" of the legislation. He had spoken to people in Kannapolis and there were several routes the Town could take. They could have a flat rate they charged the businesses, or have a tax per machine. They could also limit the number of machines; put taxes on the amount of revenue generated, though the Town would have to have a means with which to audit that. An ordinance that required an audit usually had a maximum amount the establishment would have to pay, and that would give the operators the choice of simply paying the maximum amount instead of the Town auditing their books.

Mr. Locklear advised the Board to decide the direction it wanted to go, discuss what kind of rates they wanted to attach to the establishments and how they would be paid and enforced. He would need more information.

Alderman Hilton stated that he was worried about trying to proscribe against legal businesses; that they are not the "moral police". If they do anything, they should do a privilege tax when the businesses open and nothing else. The zoning ordinance was effective as it was currently written.

Mr. Locklear stated that most of the ordinances also limit the number of machines allowed at one location. Alderman Hilton asked if they were going to get into discrimination issues, considering the Town did not

charge establishments with lottery ticket machines. Mr. Locklear pointed out that the lottery ticket machines were sponsored by the state of North Carolina. Alderman Hilton stated that they may not like the video gaming but it was legal.

There was further discussion concerning video gaming.

Mr. Locklear commented that they could restrict the amount of terminals, which would help to control traffic around the establishment as well as parking and police concerns.

Alderman Hilton inquired about an age limit. Mr. Locklear stated that he assumed eighteen since that was the age you had to be to play the lottery. Alderman Hilton cautioned that we were basically trying to tell consenting adults what to do with their money.

Alderman Furr stated that he could see Alderman Hilton's points, but he was also seeing problems in neighboring communities. One business had been forced to move because the parlor had so much traffic and took up so much parking. They literally had to move or go out of business. Alderman Hilton pointed out that this was a zoning issue that could be addressed with the Town's zoning ordinance.

Alderman Furr went on to say that his number one concern was that he did not want to be a "dumping ground" for people from other areas that had developed ordinances concerning video gaming. His second concern was that there would be litigation before this matter was over and he didn't want to see the Town get into the middle of it and end up paying more due to that than they would ever bring in through taxes and fees on the establishments. He felt there had to be a middle ground.

Alderman Hilton commented that the best government is the one that tries not to manage every aspect of people's lives.

Mayor Brown inquired what the consensus among the Board was—were the zoning laws enough to handle the video gaming establishments?

Manager Linn stated that zoning sometimes did not know when new businesses had opened in Town because no privilege license is required. However, now whenever a new business came into town, the zoning office would be alerted when they applied for utilities. This way the zoning office would be able to check the type of business against the zoning district. The current sweepstakes parlor had "slipped through". He questioned if the Board wished to establish a fee for businesses that could be collected up front and whether it would be a one time or yearly fee. Mr. Locklear commented that it was typically an annual fee.

Manager Linn stated that they had discussed at the budget retreat establishing a privilege license for all businesses, he inquired if they would like to make the privilege license for the sweepstake parlors more expensive. Alderman Hilton stated that they needed to keep it reasonable.

Mayor Brown instructed Mr. Locklear to draw up something to establish an annual privilege tax for each terminal in a sweepstakes parlor. Mr. Locklear inquired if they wished to limit the number of machines allowed in each establishment. Manager Linn commented that the zoning ordinance addresses things like the number of games, pool tables and parking, etc. The current establishment had twenty machines, but the parking did not support that many. The zoning ordinance would be able to handle the parking issue.

Alderman Hilton suggested letting Manager Linn and Mr. Locklear work something up and bring it back before the Board.

The next order of business concerned a possible ordinance to deal with aggressive solicitation and pan handling in the Town of Landis. Alderman Hilton stated that he had seen and heard things about people being asked for money in Town. He thought they could perhaps discuss the matter and develop something to better get a “handle” on the situation. It was not a big problem right now, but they could establish something now to prepare for the future.

Alderman Hilton went on to state that there were businesses in town, which pay taxes and make their livelihoods. However, occasionally you would see people selling things out of the back of their trucks, etc and in little stands. He felt this was unfair to existing businesses as these individuals had no overhead, no sales tax, and no property taxes. He felt this was in direct conflict with the other businesses in town. He wanted to see a permit process set up for people to come into town selling things—they would have to pay a fee and he would like to limit the number of times they were allowed to set up.

Manager Linn stated that the zoning ordinance does address temporary businesses and that they could issue temporary zoning permits and only allow certain types of businesses. If it was outside the realm of allowed businesses, the individuals could address the Board to ask permission. Alderman Hilton stated that if it was in direct conflict with existing businesses they needed to look “more sternly” at them; the Town needed to take care of its taxpayers and not allow people to come in, “suck money out” and then leave.

Alderman Furr pointed out that they were not talking about citizens; they were speaking of “itinerates” who come in, sell things and then leave.

Alderman Hilton stated that he would like to see Mr. Locklear review the material provided and draw up an ordinance and they could hold a public hearing. Alderman Safrit said he would like to see it happen as soon as possible as they were also having problems with solicitors banging on doors. Alderman Furr commented that some of those were religious groups and they could not “touch” those. Alderman Hilton stated that they also had a lot of petty theft. Alderman Safrit stated that an ordinance would give the Police Department more control.

The next order of business concerned a proposed change in the personnel ordinance. The Board instructed Manager Linn to look at adding a fraternization and nepotism policy in departments to the ordinance. They asked him to present it at the next meeting.

The next order of business was setting pool rates for the 2010 season.

Alderman Furr stated that he wanted to see the non-residential pool rates increased.

Alderman Furr motioned, seconded by Alderman Hilton, to change the non-residential individual season pass for the pool to \$200.00 and the non-residential family season pass for the pool to \$300.00 and the rest of the rates would remain the same for the 2010 pool season. All voted aye.

There was then discussion of the employee gathering at the pool that had happened last year. The Board expressed interest in holding the event again and instructed Director Noblitt they would like to do it on a Saturday.

The next order of business was the ISO inspection at the Fire Department. In January, the Office of the State Fire Marshal had conducted an ISO inspection and the Town had gone from a 5 to a 4. A lower number was a better number. The inspection had looked at all areas. There was further discussion about the inspection

and what the criteria involved was. An overall score of 100 could be obtained and the fire department had scored a 63 ½ which gave them a class 4 protective rating effective July 1st, 2010. Homeowners could contact their home insurance agencies to let them know of the change, which could lead to a reduction in the price of their policy. This also applied to commercial and industrial entities, and to anyone that lived within the department's service area. It had been a week long process, taking 5 days to complete.

The Board thanked Manager Linn.

The next order of business was the possibility of contracting out garbage collection and recycling. Mayor Brown stated that it was not their job tonight to decide on the company or the price, but to decide if they would be contracting out the services or keeping them in house so that staff could proceed with the budget process. Manager Linn stated that if they chose to contract out, staff would need to put together a package to submit for bids. There had been several companies that had shown interest.

Alderman Hilton inquired how much would be saved if the Town contracted out these services. Manager Linn stated that at the retreat the amount had been mentioned at \$70,000.00 which could change depending on the bids received. The budget that had been prepared thus far for 2010-2011 was still approximately \$300,000.00 short from being balanced.

Alderman Furr inquired where the Town had gone wrong in that it has the equipment, manpower and the system and yet cannot handle garbage and recycling for less than a private company who can actually make a profit. He commented that the men who handle collecting also help with other tasks around the Town when not collecting and he inquired how those tasks would get done if their positions were lost. He also wished to know where staff had come up with the number \$70,000.00 in savings.

Director Rowland stated that they took the Sanitation budget and compared it to what the cost to contract out would be. Manager Linn stated that they looked at salaries, workers compensation, fuel, etc. Alderman Furr pointed out that a private company also has all of those costs. Mayor Brown commented that the private company did collection on a larger scale and had more resources. Director Rowland also added that they could pick up faster since it was curbside and they could move more volume.

Alderman Furr stated that he hoped they received more feedback, but the citizens he had spoken to did not want to see the garbage service be contracted out and become roll out. While he understood the limits of the department, he had some concerns.

Alderman Hilton pointed out that this would also be single stream recycling, which the Town needed to have, as landfill fees would be going up. It was his feeling that more people would recycle if they were given a container and did not have to sort.

Director Rowland stated that three times a week a truck from the Town goes to the landfill and it takes two or more hours each trip depending on the conditions. Also, the Town would need a new garbage truck in 2012. He went on to say that recycling is what they were really interested in, he also felt if they provided containers and customers did not have to sort their recycling, that more would participate. He commented that a good bit of the tipping fees included recycling. A private company would sort the recycling and sell it. Alderman Hilton pointed out that the Town made nothing off of recycling.

Manager Linn stated they would probably have time at the budget workshop to decide if they looked at Sanitation first. Alderman Hilton inquired what the latest they could make the decision was. Mr. Naudeau with Advanced Disposal was present and he addressed the Board, stating that they needed at least two

months of preparation time and they would have to buy a new truck to handle Landis' contract. May 1st, 2010 was really the latest they could start the process and even that would bring it "down to the wire".

The Board then discussed dates for the 2010-2011 budget workshops. After some discussion, it was decided tonight's meeting would be recessed and two budget workshops were scheduled. One would be on Monday, April 12th, 2010 and another on Monday, April 19th, 2010, both at 7:00pm. They would schedule more workshops as needed.

Department Head Comments

Recreation Director Julie Noblitt: stated that the Spring Fling had a good turn out, approximately 150 people, and it had been held in the park area. The carnival inside the old hardware store had not had as many people but some did stay to enjoy it.

Town Manager Reed Linn: stated that he would be attending a downtown revitalization workshop later in the week with Mike Acquesta and there could possibly be stimulus money available. The deadline for entry was April 30th, 2010 if the Board wished to pursue that avenue.

Public Works Director Steve Rowland: stated that the lights for the ball parks had been ordered today.

Board Comments

Alderman Tony Hilton: commented that they would have to "sharpen their pencils" because of the projected shortfalls in the budget; the same thing was going on everywhere. He stated that it wasn't anything that had been done incorrectly; the money simply wasn't coming in.

Alderman James Furr: agreed with Alderman Hilton, stating that none of the government entities were in any better shape.

Citizens Comments

Patsy Brown: stated that she was highly against outsourcing the garbage collection. She stated that she likes how it currently is and in the long run she felt it would cost her more money.

Nadine Cherry: stated that she had asked for working microphones for staff, or for staff to go to the podium. She stated that it was the Town's responsibility to provide citizens with "effective communication" and she was making an official request for more microphones. She went on to state that she had read in the newspaper last week that Landis would be sponsoring the Special Olympics torch run, she inquired as to how much that had cost and also how much had been spent on the budget retreat. She also requested an update on

how the minutes were being kept, reading a section from past minutes, stating that she was having trouble getting access to the 2009 and 2010 minutes and asked what the Town was hiding. She asked the Board if they had time to review the ADA information she had given them or if it had been thrown away; she commented that it had been tabled in February and she was told it was because it was a lot of information and they needed time. She went on to say that Director Rowland was the ADA Coordinator and she felt that some on the Board were “keeping him” from doing his job. She inquired why Alderman Furr had not attended the budget retreat, asking if he did not feel it was important.

Alderman Furr stated that he normally did not give such inquiries a response, but he had a technical malfunction with his phone and that the calendar there had lost the date for the budget retreat and he had not realized it, so when he checked it did not show as anything being scheduled. He apologized to the citizens and assured them it was not intentional.

Mayor Brown commented that “everyone makes mistakes”.

Alderman Hilton commented, in reference to Ms. Cherry’s comments, that with everything being videotaped it was hard to hide anything.

Alderman Furr motioned, seconded by Alderman Safrit, to go into Executive Session to discuss Legal and Personnel Matters. All voted aye.

Alderman Furr motioned, seconded by Alderman Sloop, to come out of Executive Session and to recess the meeting until Monday, April 12th, 2010 at 7:00pm. All voted aye.

The meeting recessed at 8:50 P.M. on Monday, April 5th, 2010.

Heather Wood
Administrative Assistant