

MEBANE CITY COUNCIL
REGULAR MEETING
APRIL 12, 2010-6:00 P.M.

Members Present: Tim Bradley Ed Hooks
 Jill Auditori Patty Philipps
 Everette Greene

Mayor Glendel Stephenson called the regular monthly meeting to order at 6:00 p.m. in the Council Chambers of the Mebane Municipal Building. Councilmember Hooks gave the invocation.

Mayor Stephenson recognized a few scouts from Boy Scout Troop #43 that were in attendance.

City Engineer Darrell Russell reported the result of the recent quarterly sampling for TTHM's which were well within the standard. He stated that while this value was good news for the quarter, the City is not in compliance for the "running annual average" but staff is hoping that the May readings will result in full compliance.

Mayor Stephenson made several announcements including the upcoming Paint & Pesticide Collection Day and the Annual Mebane Dogwood Festival. He also encouraged citizens to complete and return their 2010 Census forms.

City Manager Robert Wilson presented the proposed Budget for 2010/2011. No tax increase is being proposed, with the tax rate remaining at \$0.47 per one hundred dollars of valuation. A 4% merit increase in salaries for full time employees was included. Those merit increases are to be based on job performance. In the budget there are five (5) full time positions to be filled, one (1) within Pubic Works and four (4) within the Police Department. One (1) part time position at the Arts & Community Center was included. Also included in the budget were requests from Departments heads for needed vehicles and equipment. None of the capital projects that have been discussed previously by the Council were included in the budget. Mr. Wilson requested that Council set a Public Hearing date of June 7, 2010 at 6:00 p.m. on the 2010/2011 City of Mebane Budget Ordinance.

By motion of Councilmember Greene, seconded by Councilmember Philipps, a Public Hearing date of June 7, 2010 was set on the 2010/2011 City of Mebane Budget Ordinance. The motion carried unanimously.

City Engineer Darrell Russell made a presentation on proposed sites for the New Fire Station on the South Side. Mr. Russell stated that in 2002, the Mebane Facilities Report identified a satellite fire station as a near term need to serve the growing south side of the city. In March 2010, City Council authorized the development of a site study. The study was developed in conjunction with input from the City Manager Robert Wilson, Fire Chief Bob Louis, Finance Officer David Cheek and Alley, Williams, Carmen & King-City Engineer. Mr. Russell stated the committee identified 10 different sites. The main focus in identifying the sites was response times. Each site was evaluated for constructability as related to site slopes and elevation consideration, water and sewer costs, accessibility to primary roadways, increase in response time coverage, and hydrant availability in the coverage area. After a review of each site, a matrix evaluation chart rated each site to the other. The matrix chart produced a close score for sites 10, 3, and 2 in that order. Mr. Russell requested Council's permission to begin negotiations with property owners of sites 10, 3, and 2. Councilmember Bradley requested that site 1 also be included in those negotiations. It was the consensus of the Council to have staff move forward with contacting property owners for acquisition of land on the proposed sites for the new fire station.

The Council received a request from staff to purchase a strip of land lying to the west of the Municipal Building from Capital Bank. City Attorney Charles Bateman spoke concerning this issue. He stated that after months of negotiations, Capital Bank has agreed to sell the strip of land to the City at a cost of \$19,000. He recommended that the

City Council accept this proposal and authorize staff to conclude the purchase. Councilmember Hooks made a motion, seconded by Councilmember Bradley, authorizing the purchase of the land and approving a budget amendment in the amount of \$19,000 for purchasing the land from Capital Bank. The motion carried unanimously.

City Attorney Charles Bateman presented a proposed set of guidelines for the new cemetery. Mr. Bateman said staff is recommending the Council to adopt a more comprehensive set of regulations. He stated a major issue to be addressed by the Council concerning the new cemetery is the decision on whether or not to allow upright/vertical (tombstones) or horizontal (flat markers) monuments. He stated staff is recommending horizontal monuments because it would reduce the cost of maintenance and up keep of the cemetery. Mr. Bateman stated another issue that needs to be addressed is naming the new cemetery. After some discussion, no formal action was taken.

Mayor Stephenson stated the Public Hearing to be held on a request from Mebane 8540, LLC to amend the Conditional Use Rezoning Permit to reduce the square footage of homes to be built, previously approved by the Council on August 7, 2006, on property located off Arrowhead Blvd. in the CU-R-12 section of Arrowhead Subdivision as a Planned Unit Development was requested, per the applicant to be withdrawn. Councilmember Greene made a motion, seconded by Councilmember Philipps, to approve the applicants request to withdraw the request. The motion carried unanimously.

During the Public Comment period, Francis Smith, 127 St. Luke Church Rd., Mebane requested during this year's budget work session that Council consider adding a public swimming pool to the Parks and Recreation Department. She stated that Mebane citizens are required to drive to Burlington or Hillsborough to swim and that having a local pool for the public would be a wonderful summer recreational activity.

A Public Hearing was held on a request from Tri Vantage, LLC, a subsidiary of Glen Raven Mills, for Council's consideration of an Economic Development Incentive for a new distribution facility in the City of Mebane. Mac Williams of the Alamance County Chamber of Commerce introduced Steve Ellington, President of Tri Vantage. Mr. Ellington spoke on behalf of the request. He stated that the proposed project would include a newly constructed 102,000 sq. ft. facility to be located in the Industrial Center in Mebane, 35 new jobs and an estimated total capital investment, including machinery and equipment, of approximately \$8.2 million.

Councilmember Greene expressed his concern that since incentives have already been approved by the county, the residents of Mebane have already participated in that project. He stated that while the city has nothing officially establishing a \$10 million threshold on businesses before economic incentives would be considered, he doesn't want to lower the bar for every company that request incentives.

Mr. Ellington stated the site is between 12-13 acres and they considered this site with plans for expansion. If no plans for expansion existed, they would have looked for a smaller site.

Councilmember Philipps questioned if the 35 employees mentioned would be new or transferred employees.

Mr. Ellington stated they would be new positions.

Councilmember Auditori questioned the salary rate for employees.

Bill Gomory, Chairman of the Alamance County Chamber of Commerce, spoke in favor of the proposal.

City Attorney Charles Bateman stated the City has been in negotiations with the company and he has prepared a draft agreement for the Council's consideration. He stated the City does not pay up front incentives; the incentives in this proposal would be made in two (2) installments. The first installment in the sum of \$16,000 would only be paid after a certificate of occupancy was issued and listing for taxes confirmed. The second

installment in the sum of \$64,000 would be paid only after they have paid their first year taxes on the full investment.

Councilmember Bradley stated he is philosophically against incentives; however he feels it would be fiscally irresponsible for the city not to take advantage of this investment opportunity. Councilmember Bradley made a motion, seconded by Councilmember Philipps, to support the agreement that City Attorney Charles Bateman drafted between Tri Vantage, LLC and the City of Mebane.

Councilmember Hooks commented in favor of Tri Vantage, LLC choosing the City of Mebane as their place to bring a new facility.

Councilmember Auditori stated as elected officials decisions can't always be looked at as a corporation but as an opportunity to serve the citizens and using taxpayer's money to entice a private/for profit company to locate in Mebane does not seem like a good use of that money. She stated she would like to see Tri Vantage, LLC locate in Mebane. She said job creation along with encouraging business and industry is important but if the Council continues to approve incentive requests again and again it would prove to be bad business for the City. Councilmember Auditori stated she looked into Nypro, who was given an incentive last year, they currently have 154 full time employees and only 24 of those reside in Mebane, which is 15% of their full time employees. If we look at the Tri Vantage proposal of 35 jobs, following those same numbers only 5 of those people will live in Mebane, so paying \$80,000 to a company who may employ 5 people from Mebane does not add up.

Tom Boney, Editor of Alamance News, questioned if a requirement for the number of jobs was in the proposed agreement. City Attorney Charles Bateman replied there is no requirement on the number of jobs. Mr. Boney also questioned whether there was any further obligation on the company beyond December 2011. Mr. Bateman replied by that time the City will have recouped the incentive cost.

Mayor Stephenson called for a vote of the motion on the floor. The motion passed with a 3-2 vote. Ayes- Bradley, Philipps, Hooks. Nays-Greene, Auditori.

The Council received a request for approval of a Final Plat for the North Carolina Industrial Center, Phase One, Lot 1D. Councilmember Hooks made a motion, seconded by Councilmember Bradley, to approve the request. The motion carried unanimously.

The Council received a request for approval of a Final Plat for Mebane 8540, LLC for "Arrowhead North". Councilmember Philipps made a motion, seconded by Councilmember Hooks, to approve the request.

Councilmember Bradley made a motion, seconded by Councilmember Hooks, to approve the tax releases and tax refunds. The motion carried unanimously.

Mark Reich of Alley, Williams, Carmen & King reported to Council the results of the Bid Opening for the 2010 Street Resurfacing. He stated five (5) bids were received. The bids ranged from \$189,406.23 to \$231,070.02. After review of the bids, it was determined that John H. Wilson & Son Grading and Paving, Inc. of Mebane, North Carolina submitted the lowest bid in the amount of \$189,406.23. It was recommended that the contract be awarded to the lowest bidder, John H. Wilson & Son Grading and Paving, Inc. Councilmember Philipps made a motion, seconded by Councilmember Bradley, to award the contract to the lowest bidder. The motion carried unanimously.

As an additional item, Finance Director David Cheek stated the City of Mebane received a One North Carolina Grant to be distributed to Nypro, Inc. for the Incentives Economic Development project. He stated this pass through grant of \$150,000 requires an appropriation from the City Council. He requested Council's approval of an appropriation in order to make the payment. Councilmember Hooks made a motion, seconded by Councilmember Philipps, to approve the request. The motion carried unanimously.

Minutes of the March 1, 2010-Regular Meeting, March 16, 2010-Special Meeting, March 25, 2010 -Special Meeting and the April 1, 2010-Bid Opening were approved as presented.

There being no further business, the meeting was adjourned.

Glendel Stephenson, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk