

MINUTES
BOARD OF COMMISSIONERS SPECIAL MEETING
JORDAN ROOM, MATTHEWS TOWN HALL
APRIL 13, 2015 – 5:15 PM

PRESENT: Mayor James Taylor; Mayor Pro-Tem Joe Pata; Commissioners John Higdon; Chris Melton, Kress Query, John Ross and John Higdon (participated via telephone conference); Town Manager Hazen Blodgett; Town Clerk Lori Canapinno

ALSO PRESENT: Planning and Development Director Kathi Ingrish; Senior Planner Jay Camp; McGill Associates representative Mike Norris

ABSENT: Commissioner John Ross

The Board of Commissioners met with Planning and Development staff to discuss a possible downtown streetscape project. Jay Camp spoke about the proposed streetscape master planning process and how a consultant could help with that. The Town has received a grant for this work and so time is of the essence. If the Board chooses not to approve this item this evening then the grant would be lost.

There was some discussion about the final product – renderings and a lengthy streetscape improvement document which could be used for as many as twenty years in the future. Mr. Norris explained that he works with communities on land planning, often with downtowns and Main Street communities. West Jefferson, Statesville and Lenoire are some of the communities he has worked with most recently. He works with the municipality, the public and other agencies such as the Department of Transportation to produce a document which will guide development for the next number of years. Both short and long-term goals would be included. This would be a guideline for developers as they look at work in downtown Matthews.

MINUTES
BOARD OF COMMISSIONERS MEETING
HOOD ROOM, MATTHEWS TOWN HALL
APRIL 13, 2015 - 7:00 PM

PRESENT: Mayor James Taylor; Mayor Pro-Tem Joe Pata; Commissioners John Higdon; Chris Melton, Jeff Miller, Kress Query and John Ross; Town Attorney Charles Buckley; Town Manager Hazen Blodgett; Town Clerk Lori Canapinno

ALSO PRESENT: Assistant Town Manager Jamie Justice; Communications Director Jen Thompson; Finance Director Christopher Tucker; Planning Director Kathi Ingrish; Senior Planner Jay Camp; Zoning Administrator Mary Jo Gollnitz; Planning Board Chair Steve Lee, Vice Chair Rob Markiewitz, Members Mike Ham, Eric Welsh and Barbara Dement and Youth Voices Ben Dodson and Sarah Ward

REGULAR MEETING CALLED TO ORDER

Mayor Taylor called the meeting to order at 7:00 pm.

PLEDGE OF ALLEGIANCE

Boy Scouts led the audience in the pledge.

INVOCATION

Pastor Larry Whitley rendered an invocation.

SIGN SISTER CITIES PARTNERSHIP DOCUMENTS WITH MAYOR VINCENT MORISSE OF SAINTE-MAXIME, FRANCE

Mayor Taylor remarked upon the extraordinary work that started a few years ago to build a relationship between the Town of Matthews and Sainte-Maxime, France. A grassroots effort has led to a wonderful partnership between the two towns, one which will be fruitful for many years to come.

Mayor Taylor introduced Sainte-Maxime Mayor Vincent Morrissette, who then introduced his delegation: Deputy Mayor Jean-Louis Rouffilang, Deputy Mayor Michel Le Dard, Councillor Vernonique Kerhoas, Renaud and Nicole Guillemard, Liliane Navarro and Valerie Henin. Mayor Taylor expressed thanks to Steve and Carol Manz and their goddaughter Rachel, who lives in Sainte Maxime and was instrumental in the effort to partner these two towns. Mayor Taylor also thanked Ed and Barbara Dement and the members of the grassroots campaign who worked for over two years to make this partnership a reality.

Barbara Dement explained the history of Sister Cities International, which was created by President Eisenhower in 1956 as a way to champion for peace and prosperity by fostering bonds between people from different communities around the world. Ed Dement spoke of Sainte-Maxime's history with America: the city was liberated from Nazi occupation by American and other soldiers in 1942 and the people of Sainte-Maxime have never forgotten that.

Mayor Morrissette noted that some people believe French people do not like Americans, but that is not true. They love Americans and are grateful that so many young people gave their lives to help liberate the city more than seventy years ago. They appreciate the American way of life and the relationship between Sainte-Maxime and Matthews. He thanked the many people involved in their visit and commented on some of the special events and locations that were visited. He said it is an honor for him and his group to be in Matthews and encouraged Matthews citizens to visit Sainte-Maxime. He hopes that people - especially young people - from each town will visit the other and learn about their sister community.

Mayor Taylor and Mayor Morrissette signed Sister City documentation and exchanged gifts and again expressed their great appreciation for each other and all those involved in making this partnership a reality.

ITEMS TO BE ADDED TO THE AGENDA

None

RECESS REGULAR MEETING FOR PUBLIC HEARING ON PETITIONS TO AMEND THE ZONING ORDINANCE OF THE TOWN OF MATTHEWS

Motion by Mr. Melton to recess the regular meeting for public hearings on petitions to amend the zoning ordinance. The motion was seconded by Mr. Ross and unanimously approved.

Planning Director Kathi Ingrish introduced the members of the Planning Board in attendance: Chair Steve Lee, Vice Chair Rob Markiewitz, Members Mike Ham, Eric Welsh and Barbara Dement and Youth Voices Ben Dodson and Sarah Ward.

Application 2015-626: To change the zoning from RVS to CMF + R-12MF(CD) on that certain property located on the west side of Monroe Road between Galleria Boulevard and Gander Cove Lane and being further located across the street from Family Dollar Corporate and being further designated as Tax Parcel 213-231-01. (deferral requested by applicant)

Mayor Taylor noted the applicants requested a deferral. The public hearing will be opened and continued to May 11; he explained that anyone who wished to speak for or against it could do so now or at the continued meeting, but not at both. There were no public comments.

Motion by Mr. Query to continue the public hearing to May 11, 2015. The motion was seconded by Mr. Ross and unanimously approved.

Motion 2015-1: To consider the adoption of a Composite Bicycle and Pedestrian Plan

Ms. Ingrish explained the Composite Bicycle and Pedestrian Plan was drafted by former planner David Nelson with input from several advisory committees and staff from different departments. Mr. Nelson collected all of the bike and pedestrian plans listed in previous documents and added the new ones from zoning cases. He then added those that filled in gaps, deleted those that were duplicative or unnecessary and drafted a complete list of all bike and pedestrian plan improvements. He then compiled a list of all needed public improvements which would allow people to travel around town without a motor vehicle. The bike facilities are mostly on-road bike lanes with lines separating cars from bike traffic or widened shared areas. Pedestrian facilities include sidewalks, greenways and multiuse trails. Staff is seeking comments now and will incorporate those into the plan along with some notes from the Transportation Advisory Committee and staff. The document as written is a compilation of all lists but does not guarantee anything. The facilities could be built by private developers on a case-by-case basis, could be built as a part of the state's improvements as part of its Complete Streets process or could be built by the Town through its Capital Improvements Program.

Mayor Taylor opened the floor to public comment. No one spoke in favor of or opposition to this application.

Mayor Taylor noted that the Transportation Advisory Committee has endorsed the draft and said he looks forward to hearing the Planning Board's comments. The Planning Board will hear it on April 28th and it will come back to the Board of Commissioners on May 11th.

Motion 2015-2: To change the text of the UDO regarding miscellaneous and technical corrections including add a definition and standards for Residential Development Message Board Signs; correct/add a cross reference for design standards for manufactured homes; clarify when "Specialty Sales" are general merchandise retail; add "community garden" as a land use category in the table of allowed uses; and add clarification for Public Information Kiosks in Downtown and ENT.

Ms. Ingrish explained that it was understood that some amendments would be required after the Unified Development Ordinance (UDO) was adopted. Small items such as cross-references, typos and oversights are corrected through the amendment process. This amendment serves to, among other things; create some new

requirements for residential message boards such as those usually located at the entrance or community area of a neighborhood. Staff inventoried and reviewed existing signage to ensure the new regulations would accommodate them. These signs could be on private property or on public rights of way with encroachment agreements. There would be a maximum of two per neighborhood, each with a maximum area of twelve square feet and a maximum height of five feet. Also included in this amendment are some cross-references, the addition of community gardens to the table of allows uses; public information kiosks; minor typo corrections and line revisions.

Mr. Melton asked about the five foot maximum height limit for neighborhood signs, with Ms. Ingrish explaining that there are one or two in existence around that height and staff wanted to be sure the proposed sizes were adequate for the existing signs.

Mayor Taylor opened the floor to public comment. No one spoke in favor of or opposition to this application. The Planning Board will hear it on April 28th and it will come back to the Board of Commissioners on May 11th.

RECONVENE REGULAR MEETING

Motion by Mr. Miller to reconvene the regular meeting. The motion was seconded by Mr. Ross and unanimously approved.

PLANNING AND DEVELOPMENT BUSINESS

REPORT FROM PLANNING BOARD

Planning Board Chair Steve Lee gave a detailed report on the Board's activities (Exhibit #1 hereby referenced and made a part of these minutes).

CONSIDER APPROVAL OF ADMINISTRATIVE AMENDMENT: EDEN HALL

Zoning Administrator Mary Jo Gollnitz explained that the Eden Hall subdivision was approved in July 2014. As part of that approval, the existing sidewalk and trees along Fullwood Drive were to remain. Upon receiving the site plan, staff has discovered that sidewalks and trees were not shown on the plan. The applicant has agreed to replace the existing sidewalks with meandering walkways and put in larger caliper trees than what is required by ordinance. It is up to the Board to decide to approve, deny or seek public input for additional information.

Motion by Mr. Query to approve the Eden Hall Administrative Amendment as is it reasonable and consistent with the Town's Land Use Plan and other policies, and because the requested amendments would result in a better development than what had previously been approved. The motion was seconded by Mr. Pata.

Mr. Miller asked about the sidewalk width and Ms. Gollnitz said it would be five feet, which is consistent with the existing sidewalk. Mr. Miller said he didn't think homeowners on Marion Drive were aware of the proposed changes and Mr. Query said it is up to the Board to move the project forward. Mayor Taylor agreed, saying the product now proposed is better than the original plan. The quality of trees on site now are lesser and would be replaced by larger-caliper hardwoods and the sidewalk would be improved. There were no concerns about trees mentioned in the minutes of the original public hearing.

Applicant representative Mel Graham explained that attempting to save the existing sidewalk is not the best option. The proposed sidewalk will look and function better and the trees will look much better in the long term.

Mr. Melton asked if the organization will maintain the frontage area by the road. Mr. Graham said the area will be landscaped down to a certain point, and anything else will have to be discussed with Public Works. There should be a way to relieve some of the burden on Public Works. Mr. Blodgett noted that the Town will mow four times per year anyway, and anything the association does in addition will help.

The motion to approve the Administrative Amendment was unanimously approved.

DISCUSS POSSIBLE LOCATIONS OF FUTURE SMALL AREA PLANS

Mr. Blodgett noted this was a topic of discussion at the Planning Conference and staff would like to know what the Board feels is the top priority. This work will be performed by Planning staff. Ms. Ingrish discussed possible options and noted the recommendation of both staff and the Planning Board is for the next focus area to be the East John Street area between I-485 and the Union County line, up to the CSX railroad and incorporating both sides of East John Street.

Motion by Mr. Miller to prioritize as the next Small Area Plan the East John Street area between I-485 and the Union County line, up to the CSX railroad and incorporating both sides of East John Street, since that was recommended by the Planning Board. The motion was seconded by Mr. Ross and unanimously approved.

CONSIDER APPROVAL OF PATIO ENCLOSURE AT BEANTOWN IN ACCORDANCE WITH MATTHEWS STATION STREET DEVELOPMENT AGREEMENT

Mr. Query said he is unhappy with what has gone on. There was no building approval or prior approval on design and no permits were pulled prior to construction. This project was all done inappropriately and he believes it needs to come down and be done correctly.

Mr. Camp summarized that this project, a patio enclosure at Beantown Tavern at 130 Matthews Station Street, was done without a building permit. Town staff requested Mecklenburg County building inspectors go out to the site on January 28, 2015. They informed the owner that a building permit would be required. Construction drawings were submitted to Town staff on March 19. These include Downtown Overlay-approved elevations as well as reverse-engineered plans which will be submitted to the County for building permits if the Matthews Board of Commissioners approves this item tonight. If the expansion is to remain it would need to be approved by the Town Board and the landlord and the lessee would need to obtain building permits. The Town Board is the first step in the process.

The 2000 Downtown Development Agreement gives the Town Board the authority to review architecture in Matthews Station. Attorney Buckley clarified that the document recorded with the Register of Deeds deals with this ongoing project after initial construction. Not only does new construction continue to be a public-private partnership decision but also any restoration or rehabilitation of existing structures. Changes need to be approved by the public-private development team.

Mr. Pata asked why the Matthews Town Board is the first approval agency instead of Mecklenburg County. Mr. Buckley explained that the recorded documents require any changes to be approved by the Town Board and the property owner, since this is a joint project between those two entities. This is true for all changes in perpetuity. Mecklenburg County can't perform any building permit review without staff approval and staff approval can't be given without Town Board approval. Mayor Taylor noted that even if the landlord and County approved a change it wouldn't be possible to proceed unless the Town Board approved it as well.

Mayor Taylor noted that when this agreement regarding Matthews Station was entered into by the Town and Lat Purser and Associates, there was a lot of discussion about what the look and feel of Matthews Station would be

like. There was a lot of discussion about the two corner pieces that face the circle and how to keep those areas open and able to have lively interaction.

He asked if the members of the Board were open to any sort of enclosure at all. If so there may be a way to accommodate a type of enclosure that could be opened up at times to keep that appearance of no boundaries, such as an accordion-style or garage-style setup. Perhaps the owner and tenant could work to find something that is acceptable to all parties. Mr. Query said he would not like to accept anything that closed off the area. The intent of the project was an open environment to give users the ability to interact with the surrounding area. He said it is up to the owner and tenant to decide if they'd like to work on alternative options but he wanted to make it clear that he wouldn't want to accept anything that was closed off.

Lat Purser of Lat Purser and Associates, 4530 Park Road, Suite 300, Charlotte, NC 28209 addressed the Board. He explained that this project took his company by surprise as well. They didn't receive any requests – the enclosure just appeared. He remembers speaking with former Mayor Lee Myers about the open air concept and the intent of that design. He agreed that the work was done the wrong way but he said that the tenant - Beantown proprietor Donnie Gaskin - has been in this market for many years and has been a good tenant. Mr. Purser would like to see Mr. Gaskin be given the opportunity to bring some options to the Board and see if there is some sort of middle ground that would be acceptable to all parties. Mr. Gaskin does work hard and Mr. Purser thinks it would be good to give Mr. Gaskin a chance to take another look at the possibilities.

Mr. Blodgett asked if there were any life safety issues with the addition. The Town needs to be comfortable knowing that the structure is safe and not a hazard to anyone. Mr. Purser said that he told Mr. Gaskin that he would have to get his entire building permitted, not just the patio enclosure, to ensure everything was correct. He does not believe that has happened yet. Mr. Blodgett asked if it was possible that in the interim there might be some safety issues. Mr. Purser did not know. Mayor Taylor asked Mr. Buckley if the Town had any liability due to its inaction to date. Mr. Buckley explained that the Board is taking action now. He also noted that this is on private property, and although it was built under the auspices of a public-private partnership it doesn't expose the public agent to any liability. The recorded agreement regulates changes. The Town can only do those things that it is reasonably expected to do, i.e. reviewing a plan with proposed changes. This situation involves a tenant who took action without involving the Town or the property owner in any way so he has assumed his own risk. That is not to say that someone couldn't sue the Town, but being able to show a breach of duty is a different situation. Mr. Buckley thinks the Town does need to move forward now. Mayor Taylor said it seems like Lat Purser and Associates would have some liability if there were any structural deficiencies and Mr. Buckley agreed.

Mr. Melton asked if the building was protected by a sprinkler system and Mr. Purser said he believed that building was. Mr. Melton asked if the sprinkler system was extended into the newly enclosed area. Mr. Purser said he did not know. Mr. Melton noted that it would be a big problem if the sprinklers were not extended, if there were no exit emergency lights and/or if the egress of the occupancy was changed. Mr. Purser agreed and said some action needed to be taken. He said he wished this had not occurred at all, but if there was something that could be done that was permit-able with approved permits and acceptable to the Town he would like to see Mr. Gaskin being given the opportunity to try. Mr. Melton asked Fire & EMS Chief Dennis Green if that area would be allowed to remain open if the life safety systems were not properly extended. Chief Green noted that it would be up to the discretion of the County Fire Marshal, but he did not believe it would be able to be used.

Mr. Ross noted that the staff memo indicates that Mecklenburg County Building Inspectors performed an inspection on January 28th and found the changes to be out of compliance. He asked if staff is aware of the specifics of that inspection. Mr. Camp explained that staff has requested a copy of that report but it has not yet been received.

Mr. Query said he feels for Mr. Gaskin, but it has happened and some action needs to be taken. It was probably just done to improve things, but that was not the intent of the Matthews Station design, which was to allow for

interaction. In fact, the new structure now forces smokers to go out into the street to smoke. The whole thing doesn't fit with the intention of the design.

Motion by Mr. Query to disallow the patio enclosure at Beantown in accordance with the Matthews Station Street development agreement. In fact, he does not see how the Board could approve it.

There was some discussion about the mechanics of the vote. Mr. Buckley explained that the Board would need to notify the property owner that they are in violation of the Downtown Development Agreement and the documents that are supportive of that agreement which are recorded in the Register of Deeds office – that they are out of compliance and it needs to be brought back into compliance as quickly as possible. Mayor Taylor asked if that started a clock and Mr. Buckley explained there is no specific time period other than a *reasonable time*.

The motion was seconded by Mr. Miller.

Mayor Taylor asked if the Board wished to express anything to suggest it was open to looking at drawings for potential enclosures. Mr. Buckley said the Board was putting the owner on notice and he needs to express that to his tenant. It is between the owner and tenant if they wish to respond to the Board's notification of noncompliance with any sort of new proposal. Mr. Purser said he would like to know if the Board was open to other possible designs or if that would simply not be acceptable at all. Mr. Miller said he would be open to some form of upscale roof system with bricked pillars or something with arches – something with more open air and which perhaps could be closed in colder weather. It would have to be something more tasteful than the existing design, which looks like an old sunporch with too many windows. It just doesn't fit in now.

Mayor Taylor asked if the existing structure would stay in place while the owner and tenant possible worked on new drawings or if the property owner would require the tenant to remove it immediately. Mr. Purser said the tenant would need to act quickly with any new ideas. Parts of the existing structure may be able to be reused. He doesn't think it should go on any longer than 90 days at the most. If the Board is not really willing to consider other options then that should be stated so that the entire process could be ended immediately. Mr. Pata said he'd be open to looking at option but suggested it should be done in no more than thirty days. Mayor Taylor noted that Mr. Purser had said he'd informed the tenant that the entire structure needed to be inspected and brought to code and questioned the timeline on that. Mr. Purser said it was probably not possible to make it all happen in thirty days. He said he thought the Fire Marshal probably would require sprinklers out there. He does believe the exit door is still there. He agrees with the concern about pushing the smokers out towards the main street rather than out by the railroad tracks. He's not certain that the tenant would be willing to spend more money on this, but it would be good to give him the opportunity to see what he could do.

Mr. Query reiterated that he doesn't believe the Board needed to take any action or put a timeline on it because potential safety issues are more problematic. He doesn't understand why the County building standard inspectors didn't shut it down immediately. He doesn't want the Board to have any responsibility for any length of time. It should be up to the property owner to offer a time limit to the tenant, not the Town.

Mr. Ross said he is open to seeing other designs but said the Board needs to see what the report shows to see what is out of compliance. If there are any safety issues those become of paramount importance. If it's a safety issue that's egregious then we can't wait.

Mr. Melton asked if the landlord could ask the tenant to encourage his patrons to smoke away from the front pedestrian thoroughfare. Mr. Purser said they could ask but was not certain they could enforce it. Mr. Melton also pointed out that the Certificate of Occupancy is not for that structure. If it burned down tomorrow all parties would be in a bad place.

Mr. Buckley said the Board's action tonight is to notify staff to notify the owner of the property that they are not in compliance with downtown development agreement. It needs to be put in writing.

Mr. Query revised his motion to direct staff to take action because there is a non-approved structural change and that needs to be rectified. The revised motion was seconded by Mr. Miller and unanimously approved. Staff will send the letter to the property owner as soon as possible.

CONSIDER AWARDING CONTRACT FOR DOWNTOWN STREETSCAPES ELEMENT OF DOWNTOWN MASTER PLAN UTILIZING \$20,000 TRANSPORTATION PLANNING GRANT

Mayor Taylor noted that absent Commissioner Higdon sent an email indicating he is now in favor of this project. Motion by Mr. Query to award a contract for the development of streetscape improvement guidelines for downtown Matthews to McGill Associates. The motion was seconded by Mr. Melton and unanimously approved.

PUBLIC COMMENT

Kerry Lamson, 3440 Oscar Drive, Matthews discussed the issue he and his neighbors are facing with road issues that are not being addressed by the neighborhood's developer. There are serious safety issues with the road but discussions with the developer have been at an impasse for over two years. The homeowners have petitioned the Town for a special assessment for the road work. They are willing to take some financial risk if necessary but are appealing to the Town for assistance as well. They would like more direct involvement by and with the Town whenever possible.

Mayor Taylor said the Board is aware of the issue and staff is working gathering more information now. This will be a discussion item on the next agenda.

There was some discussion of the history of the development and issues with the developer. Town Attorney Charles Buckley pointed out that the developer has no contract with the Town of Matthews and as such there is no reason for the Town to sue him.

Chris Hailey, 3323 Oscar Drive, Matthews spoke on the same topic and said he is very disappointed with the situation. There are a lot of children in the subdivision and the road is unsafe. He and his neighbors pay Matthews and Mecklenburg County taxes and it is unfair that they have to pay for a situation that they have no control over. They love Matthews and would like to stay and need the Board of Commissioners' help to make that possible.

REPORTS FROM BOARDS AND COMMITTEES

Minutes from the Transportation Advisory Committee and Environmental Advisory Committee were submitted. There were no comments or questions.

CONSENT AGENDA

- A. Approve Minutes of the March 23, 2015 Meetings**
- B. Approve Proclamation Recognizing Kids to Parks Day 2015**
- C. Approve Proclamation Recognizing the Matthews and Charlotte Chapters of the Red Hat Society**
- D. Approve Proclamation Recognizing Matthews Classics Week**
- E. Approve Proclamation Recognizing Arbor Day 2015**
- F. Accept Zoning Application 2015-628, Provident Land Services, Text Change Regarding Subdivision Names, and Zoning Application 2015-629, Everlane Development, Text Change Regarding R-12MF Maximum Building Height, and set public hearings for May 11, 2015**
- G. Approve Disposal of Surplus Property**

H. Approve Budget Ordinance Amendments to:

- 1) Recognize HIDTA OT Revenues Received in Excess of Budgeted Revenues in the Amount of \$845.51**
- 2) Recognize Non-Budgeted Revenues Received for Police Explorers Program in the Amount of \$1,740.79**
- 3) Recognize Controlled Substance Tax Assessment Revenues Received in Excess of Budget in the Amount of \$735.94**
- 4) Recognize Revenues Received for the School Resource Officer Contract Received in Excess of Budget in the Amount of \$3,764.80**

Motion by Mr. Melton to approve consent agenda item A through H4. Seconded by Mr. Ross and unanimously approved.

UNFINISHED BUSINESS

CONSIDER APPROVAL OF CONCRETE REPAIRS TO FIRE STATIONS 1 AND 2

Mr. Blodgett explained the original contract was for \$60,000 for work at Station 1 and \$30,000 for work at Station 2. Staff has become creative and divided the work at Station 1 into two phases with the first being the area closest to the back fence. Staff proposes to pay for that - \$17,000 - out of building maintenance funds. Town staff would perform the work with rented equipment and see how it goes. Phase 2 would cost \$26,000. If there are problems with the implementation for phase 1 staff would come back to the Board. If things go well they'd continue with phase 2 work and the Board would be notified via email. Mr. Blodgett noted that the intent is to use existing funds, but staff may need to come back to the Board for additional funding. Issues are still being worked out with Station 2 so that is not part of this plan at this time.

Motion by Mr. Ross to authorize the Public Works Director to perform the above work at Matthews Fire & EMS Station 1 using funds pulled from various line items in the current budget. The motion was seconded by Mr. Pata.

Mayor Taylor thanked staff for their creative solutions. He also asked about timing for the phase 2 work. Mr. Blodgett explained that the concrete is in bad shape and the desire is to complete the work in the current fiscal year. He also noted that work will need to be done at the Idlewild Volunteer Fire Department (IVFD) station since part of their apron and bay 2 are falling apart. The Town may need to partner with IVFD and the Town of Mint Hill on those repairs. Town Engineer CJ O'Neill suggested seeing how the work goes with the first phase of Station 1 before making any decisions.

The motion was unanimously approved.

NEW BUSINESS

CONSIDER APPROVAL OF ENTRY INTO STATE EMPLOYEE HEALTH PLAN

Assistant Town Manager Jamie Justice explained that the Town had been innovative for the past three years with the way it handled employee healthcare using a defined contribution plan, but recent changes by the federal government means those methods are no longer possible and the Town needs to go back to a more conventional plan. Entering the state health plan is a way to move away from the large increases being proposed by the current group policy entity and offer stability for employees. Staff is recommending joining the state health plan for group coverage starting July 1, 2015. Since the state plan runs on a calendar year cycle, the group would sign up for a

six month term and then start over on January 1, 2016. Dependent coverage would be available and staff's recommendation is to do what was done in past years and provide dependent coverage at a reduced cost of 50%. Another recommendation is to provide \$1,000 per employee for an HRA – a Health Reimbursement Arrangement – to assist with out of pocket expenses. These changes would allow the Town to save money while providing health care to employees and dependents at a reasonable cost. There are still some unknowns at this time, such as not knowing how many people would sign up for dependent coverage. More information is coming and Mr. Justice suggested not making any decisions on changing the budget now but rather waiting until the budget discussions for the fiscal year 2015-16 budget. The request now is to approve the Town's entry into the state health plan.

Mr. Query asked how many other local governments provide dependent coverage and Mr. Justice explained that League of Municipality survey numbers show that about half of the local governments in Matthews' demographic offer it, with the bigger cities being more likely to do so as a competitive measure to attract and retain employees.

Mr. Ross said he has heard concerns from employees regarding the inconsistencies and challenges in the last few years as the plans have changed. He said he would like to move forward with this and bring some consistency to employees' health coverage and peace of mind to the employees.

Motion by Mr. Ross to approve the proposed Health Insurance with State Health Plan for FY15-16 and authorize the Town Manager or his designee to execute the state health plan Memorandum of Understanding and any other necessary plan documents. The motion was seconded by Mr. Melton.

Mr. Query said he will vote in favor but noted that employees really liked the program that has been in place for the last three years. Mr. Blodgett said Mr. Justice has worked very hard on this and credit goes to him for finding the most creative ways to offer the best possible options to employees. Mayor Taylor said the Town Board has always worked to find the best for employees while also keeping a low tax rate. He appreciates the creativity employed over the last few years.

The motion to move forward into the state health plan was unanimously approved.

CONSIDER PRIVILEGE LICENSE REVENUE IN FY 14-15 BUDGET

Mr. Blodgett noted that privilege license statutes were amended in May of 2014 to ban all city and county privilege license taxes for tax years that begin on or after July 1, 2015. There are communities like Matthews that send privilege licenses out before July 1. The Town is complaint if it chooses to send out privilege licenses as scheduled prior to July 1, 2015, however as the memo indicates, one of the School of Government attorneys indicated in a blog post that he wouldn't recommend doing it because to do so the municipality would then run the risk of incurring the wrath of the legislature.

Matthews is projecting a \$300,000 surplus in sales tax revenues this year, which would help absorb the impact if the Board chooses to not send out privilege licenses this year as planned. There is still an issue with the 2011 revaluation-associated property tax refunds, which are projected to reach \$975,000. The one other municipality staff has found that is moving forward with sending licenses out this year will be producing them to run for two months through June 30th. The options are to move forward or not move forward with sending out privilege licenses this year. Mr. Blodgett recommended not sending them out, which would result in a revenue loss of approximately \$185,000.

Mayor Taylor said he spoke to Senator Bob Rucho today and explained the Town's position. It is the mayor understanding that any municipality that chose to move ahead and send out a privilege license now would regret making that decision. The intent of the legislation was to essentially remove privilege licensing in 2015, and only one community in eastern North Carolina is moving forward. In theory the Town can absorb the loss of these

revenues. He suggested getting more information from Senator Rucho's office and continuing this discussion at the next meeting.

SUPPLEMENTAL MATERIAL

CONSIDER OSCAR DRIVE SPECIAL ASSESSMENT

Mayor Taylor explained that staff is working on this issue and it will be discussed again soon in a future meeting.

MAYOR'S REPORT

Mayor Taylor reported that the Town's *Food Truck Friday* events are going very well. He also noted there will now be some great opportunities with Sainte-Maxime, the Town's new Sister City.

ATTORNEY'S REPORT

None

TOWN MANAGER'S REPORT

None

ADJOURNMENT

Motion by Mr. Miller to adjourn. The motion was seconded by Mr. Pata and unanimously approved. The meeting adjourned at 9:45 pm.

Respectfully submitted,

Lori Canapinno
Town Clerk