

MINUTES
BOARD OF COMMISSIONERS SPECIAL MEETING
HOOD ROOM, MATTHEWS TOWN HALL
MAY 20, 2013 - 7:00 PM

PRESENT: Mayor James Taylor; Mayor Pro-Tem Paul Bailey; Commissioners Suzanne Gulley, Jeff Miller, Kress Query* and John Urban; Town Manager Hazen Blodgett; Town Clerk Lori Canapinno

ABSENT: Commissioner Nancy Moore

ALSO PRESENT: Assistant Town Manager Jamie Justice; Communications Director Annette Privette Keller; Police Chief Rob Hunter; Parks, Recreation and Cultural Resources Interim Director Corey King

The meeting started at 5:40 pm. Mayor Taylor noted the Board would review options for South Trade Street before beginning the budget workshop.

South Trade Street Options

Mr. Urban said the biggest underlying issue is whether or not the Board will sell the bonds. There is no sense having the conversation without that commitment to sell the bonds. Mayor Taylor noted the Town can't just issue bonds without specifics on the project(s). He has not heard anyone make a motion to not sell the bonds, so the Board needs to talk about the bonds and what option(s) of the road projects might be acceptable. He explained that no motions will be made at this meeting – the first option for any motions will be at the May 28 meeting. The intent of tonight's discussion is to gain consensus.

Mr. Miller said in the South Matthews area there are only three choices for connectivity towards Charlotte: Providence Road via McKee or 51, McKee to Trade Street/Weddington or East Independence Boulevard. We are all in agreement that Trade Street may feed into other options like Monroe Road, Sardis Road, eventually Randolph Road, but you have to get to those roads first. He realizes it is a state road but it's a Matthews problem. Pleasant Plains and Weddington feed into Trade and then branch out into Fullwood and Trade. There are two roads going into one and then separating back into two. That is why he feels strongly that the single lane should be widened. It would also allow for the greenway connection to MARA under Trade Street.

Mayor Taylor asked if it was possible to calculate the cost of doing the culvert by itself in the future. Consultants Ben Taylor and Rob Hume of Kimley-Horn and Associates estimated an increased cost of a quarter to a third of the raw mathematical difference between the two current options since the Town would be bidding on a smaller project. It is an issue of economies of scale.

*Mr. Query arrived.

Ms. Gulley questioned the need to do anything to the culvert. Town Manager Hazen Blodgett explained that the existing culvert is okay but an additional twelve-foot culvert would be needed for flood mitigation. Ms. Gulley asked about the possibility of the project being added to the State's Transportation Improvement Program (TIP) to be paid for with State funds. Public Works Director Ralph Messera explained that the project is in the State's Long-Range Transportation Plan (LRTP) process, which is the first step in getting

projects added to the TIP. Projects in the LRTP are ranked and those highly-ranked projects get priority. This project should rate fairly high but the TIP process is a five to seven year process. Ms. Gulley asked if the Town would be required to maintain the road if it chose to proceed with the project. Mr. Messera said no – since it is a State road it would continue to be maintained by the State.

Mr. Miller asked if the County was still willing to put in any money toward the culvert. Mr. Blodgett said the County talked about contributing \$175,000 towards the culvert's construction. Mr. Messera explained that part of the culvert costs are due to the five-foot culvert which is required to carry the water and the twelve-foot culvert that would carry water and the pedestrian greenway.

Various ways of engineering the projects were discussed. Mr. Urban said if nothing else he would like to see the Courtney connector built. That would be his first point. Mr. Taylor said that connection would cost \$150-180,000.

Mr. Taylor noted their recommendation calls for all indicated improvements to be completed. The less expensive, modified plan would allow significant increases in levels of service in the improved areas but there would be no improvements in the non-improved areas. The bottlenecks of two lanes coming together would not be eased with an increased volume passing through an intersection. Mr. Bailey offered a pipe analogy: picture two small pipes connected with a larger pipe in the middle. The flow can't change since the larger pipe is bottlenecked at either end. Vehicles aren't going to move any quicker – they'll just get stacked in the middle and be forced to wait. Mayor Taylor said he understands that but thinks the modified improvements will still help with the traffic flow. Mr. Miller said the stoplight is what causes a lot of problems in the morning because it's a trigger light. Ms. Gulley suggested timing the three traffic lights in sequence. Mr. Hume agreed that the signal at MARA triggering independent of any control at either end does contribute to the problem in some degree, but it's a relatively small percentage as compared to the capacity shortfall of having only two lanes.

Mr. Hume said widening the roadway really just carries the traffic from intersection to intersection efficiently without having to have people narrow back down. If only certain segments are improved then the result will be incremental improvements with pinch points at the segments that were not improved. He said he was not offering a recommendation, but if the Town was to pursue the interim improvement then the Town would be best served by considering that to be the first step of the ultimate project.

Mr. Query asked why the Town took on this project instead of the State. Mr. Messera said the State had never evaluated the project at all nor considered it for inclusion in the TIP. Mayor Taylor noted when the Board started talking about it, it was known that it was a State road but the Board knew the State was not going to do anything with it. The only way to get anything done was for the Town to do it. Mr. Query said it really should be a State project from start to finish. Mr. Hume explained if it was a State project, it would have to go through the National Environmental Policy Act (NEPA) for environmental review. If so, it would have to be redesigned somewhat, which adds to the timeline and could cause changes to the designed plan. The current design for the Town-funded project has been approved by NCDOT already.

Some right of way (ROW) acquisitions have been completed. Some are required by zoning conditions and some are Town or County owned. The remaining parcels have not yet been settled. The estimated cost is \$2 per square foot and those costs are included in the estimates.

Mr. Urban thinks the MARA light causes problems for traffic. He said they have discussed these valves but the one that appears to be the culprit, the Y valve at the far end at Pleasant Plains and Weddington, isn't being addressed. He also noted that there has been discussion of lane widenings but people say they don't want speeds to be increased and they don't want the ROW to increase because that would cause difficulty in crossing it. It would make the most sense to move the flow through the valves, even at a slower rate.

There are three or four different types of valves with no consistency. Mr. Hume explained they need enough laneage to carry the traffic. Dual turn lanes carry almost twice as many vehicles per cycle as a single turn lane. There are calculations that indicate how far the dual lane needs to be.

Mr. Bailey commented on Mr. Miller's earlier statement of cars being back up all down Pleasant Plains. He noted that intersection at Weddington and Pleasant Plains was improved tremendously a few years ago, so the backup may be a function of the lights. Someone who approaches the light from within the neighborhood may expect the light to change quickly for them, but maybe their expectations are too high. Timing the lights differently may alleviate a lot of the problems for the bulk of the traffic.

The consultants displayed a specialized program that indicated existing traffic movements throughout the subject area. Chief Hunter noted that the program shows each road operating ok on its own, but it doesn't take into account the other streets that cause delays. Mr. Hume explained that signals are inherently inefficient from the standpoint of through capacity of the road. Getting that back requires more laneage that allows more vehicles to process in that lessened time. The flow itself doesn't move well in reality.

The discussion will continue at the May 28 regular meeting.

FY 2013-14 Proposed Budget

After a short break, the Board began discussion of the proposed FY 2013-14 budget. Mr. Blodgett is proposing a two cent property tax increase due to decreases in property taxes, sales tax and other revenue streams. He also proposes the addition of four new Fire & EMS positions – three firefighter/EMTs and one administrative assistant. Also proposed is an increase to the vehicle tag fee from \$15 to \$30, with the revenues used only for street paving and maintenance.

Decreases in revenue come from various sources, with the most significant being the drop in sales tax revenue and refunds required due to the large number of appeals to the County's property revaluation numbers. The County has identified over \$400 million of Matthews property that is subject to review. When that occurs, the average decrease has been 15%, which calculates to \$238,000. Next year could be similar.

In addition, state-shared revenues have decreased and the cost of doing business has increased. Sales tax is projected to be down next year \$136,000 from this year. The cost of doing business includes increases in solid waste fees, utilities, mandated unemployment funds, required state retirement funds, workers comp and others.

There was some discussion of specific numbers for actual versus projected budgets and methods of calculation.

Ms. Gulley asked about the fund balance. Mr. Blodgett explained it was at 24% at the last audit. The long-term debt service starts rolling off significantly after this year. Mayor Taylor noted that some of the can be allocated towards the recuperation of the fund balance. Mr. Bailey said taking on more debt would be the worst thing to do if the intention is to keep taxes flat. Mr. Blodgett noted that staff has been consistent for ten years saying that taxes will have to be raised if the Town does those road projects.

Mr. Blodgett noted the projected \$26,000 in new dollars to move the Code Enforcement Officer position back to fulltime. Ms. Gulley said the Town would be well-served with fulltime Code Enforcement. Mr. Miller agreed.

Mr. Urban said the cost of doing business is a reasonable thing to collect from clients, but how can staff rationalize going back to the public because revenues are down and telling the public they have to pay to

make the Town whole? Mayor Taylor said the alternative is to look at some services or levels of service and look at cutting those. This community expects and sometimes demands certain levels of service, but they pay for it.

Ms. Gulley asked about the penalty related to health insurance and the Affordable Care Act. Mr. Blodgett explained it's an anticipated \$200,000 penalty. The Board has already approved a \$10,000 stipend for all employees to purchase their own health insurance plans. Right now the projection is that all of that money won't be spent, but big rate increases are expected in January 2014. He noted this new health insurance system has already saved the Town a significant amount of money.

Mr. Urban said it sounded like some people are just hoping to get to the next fiscal year and waiting for the debt to roll off. Mr. Blodgett cautioned against that, noting that the Board needs to be thoughtful about any plans to spend that money.

Mr. Blodgett discussed the proposal to raise the tag fee from \$15 to \$30, with the revenues being designated solely for street paving and maintenance.

Mr. Blodgett discussed the proposed 2.5% pool of dollars for employee merit raises. This is similar to what occurred last year. The year before that employees received a stipend, and for three years prior to that the employees received nothing. This year's 2.5% would total \$190,000. There was some discussion of a stipend, which is a one-time bonus that does not have a cumulative effect on an individual's salary. Mr. Blodgett noted that everyone essentially was hit with a decrease when the 2% payroll tax cut expired in January.

Mr. Urban said as a businessman he would hold raises and slashing and burning all sorts of things, but he doesn't want to go to that extent here because there is some light at the end of the tunnel. The Town is in a sort of triage mode right now. Mayor Taylor said the Town is in good shape if it is looked at holistically and in the long run, due to the frugality of the last few years. He thinks there is some goodwill there because the Board has raised the tax rate only when it had to.

There was some discussion of other local municipalities' tax rates and fees. Some charge high fees which artificially lower their tax rates. There was also discussion of the potential loss of privilege license fees. There is legislation pending but nothing has been finalized. The Town has been told it would be held harmless or close to harmless but it's difficult to anticipate what will actually happen.

Mr. Blodgett advised against not raising taxes with the expectation of using the future rolled-off debt service to fund anything. Special projects always come up and the fund balance needs to be restored.

There was some discussion of Code Enforcement and the inclusion of a full time Code Enforcement position in the budget. Mr. Query agreed as long as it doesn't cause an increase. Mr. Urban said no, since Planning staff recently did a great job with shared responsibilities when there was no Code Enforcement Officer at all and suggested that avenue be looked at again. Mr. Blodgett explained that the part time Code Enforcement Officer was not able to be proactive, only reactive. Mayor Taylor noted there are a lot of visible indications of that, particularly with regard to signs.

The discussion will continue at the next meeting on May 28, 2013.

The meeting adjourned at 8:15 pm.

Respectfully submitted,

Lori Canapinno
Town Clerk