

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
SPECIAL SESSION
DECEMBER 17, 2007

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Dunlap Building Classroom, 80 East Street, located in Pittsboro, North Carolina, at 9:00 AM on December 17, 2007.

Present: Chairman George Lucier; Vice Chairman Mike Cross; Commissioners Patrick Barnes, Carl Thompson, and Tom Vanderbeck; County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; County Attorney, Kevin Whiteheart; and Clerk to the Board, Sandra B. Sublett

The Chairman called the meeting to order at 9:03 AM.



Special Work Session

1. **Capital Improvements Plan**
2. **Public Health Update**

Chairman Lucier welcomed Commissioner Thompson back from his leave of absence due to health issues.

Commissioner Thompson stated that he had been pronounced cancer-free after his operation, and wanted to publicly thank everyone who had showed concern with cards, well wishes, and thoughts. He said it was good to be back.

Chairman Lucier noted that Holly Coleman would provide a short update, and then they would talk about the schools capital improvements projects.

PUBLIC HEALTH UPDATE

Holly Coleman, Health Director, updated the Board on happenings in the Health Department as they ended the year, and what their priorities would be for the coming year. She said there were three topics she wanted to discuss, with the first being the Community Health Assessment which was conducted during 2006 and required every four years. She said the priorities had changed somewhat from the last update to the Board in January, 2007.

Ms. Coleman said out of the Community Health Assessment came the reformation and reactivation of a group called “Health in Chatham”; this is a group of representatives from agencies and organizations, the Health Department and citizens, who gathered together to address priority issues; this year the group decided to work on three issues: obesity, diabetes, and affordable health care. She said a Steering Committee was developed and three task forces were formed around those three priority issues; obesity was identified by 46% of those interviewed, and the task force put together a group called Team FIT (Families Interacting Together) who would focus on children and young adults; the diabetes task force would focus on prevention and increasing awareness; and, the third task force would work on affordable health care, identified by 47% of those interviewed as a major concern.

Ms. Coleman stated they would be providing a more complete report to the Board in January that updated them on how each of those three major issues was being addressed. She invited the Board members and the public to volunteer to participate with any of these task forces.

Chairman Lucier asked since so many of the issues were connected to the school system, how the school system would participate. Ms. Coleman replied they had a school nutritionist that provided counseling, a member of the Health Department served on the School Health Advisory Council, and they worked together on various programs through their community and awareness programs. Responding to a question regarding the possibility of having someone from the Health Department work with the cafeteria staff, Ms. Coleman stated that they could do that. She said at present they worked through the School Health Advisory Council.

Ms. Coleman stated the next issue was pandemic flu planning; the Health Department as well as their key partners involved in emergency response had worked on a plan as to how the Health Department would respond and address any future outbreak; one sobering fact that came out of that plan was that 40% of the workforce would likely be out of work either because of illness, fear of coming to work, or, the schools were closed and they were home with their children; they needed to work on a continuity of operations plan for the County agencies to address those issues; and, the Health Department would be requesting \$17,500 at the January meeting to go forward with that plan.

Chairman Lucier asked was that tied in with the Emergency Preparedness Plan with the County. Ms. Coleman stated yes, they had worked with Tony Tucker as a consultant and the plan would become part of the County's Emergency Preparedness Plan.

The County Manager stated that the courts and law enforcement would also be very involved in the case of a pandemic. Ms. Coleman stated she had spoken to Judge Buckner last week and he had asked for some input from the Health Department on that plan.

Ms. Coleman stated the next issue she wanted to discuss was Health Department accreditation; there was a State mandate that local health departments be accredited; in 2002 a pilot project was undertaken between the Division of Public Health and the NC Association of Local Health Directors to implement an accreditation program for State health departments; Chatham County was one of the pilot subjects, and became one of the first six health departments to be accredited; it was understood that Chatham County would maintain that standard while statutes were being put in place for State-wide accreditation; now their four-year accreditation was up, and they must now be reaccredited; that would require completion of a self-assessment which contained 41 benchmarks and 148 activities; their documentation to prove they had done or were doing all of those things was due to the State on December 28, 2007, and their goal was to have it in the mail by Friday; the State would conduct a three-day site visit February 12-14, 2008; one of the County Commissioners would be asked to be interviewed as part of that site visit by the Site Visit Team made up of a local health director, someone who served on a Board of Health in North Carolina, a public health nurse, and an environmental health representative; and, that the Site Team would review all documentation as well as inspect the facilities.

Ms. Coleman stated they all had faith that they would be reaccredited, and appreciated the support of the Commissioners

Chairman Lucier thanked Ms. Coleman for her update.

Commissioner Thompson asked how successful had the program involving churches been. Ms. Coleman stated that program had been in place for about three years and she believed it had been very successful in that they provided exercise programs and walking programs, as well as nutritional services and support on how they might change their menus. She said their next goal was to encourage the County to have healthy eating at all their meetings, or at the least to add healthy choices. Ms. Coleman added that the Community Health Assessment was available on-line on their website.

Commissioner Cross asked about the Goldston Health Clinic. Ms. Coleman responded that members of the Board had visited that facility because they were interested in having someone take it over; they did not have the funds in the current budget to operate a clinic at that site without some further study; they were not saying there was not a need, but had not yet determined if the need would support a program without support from the County; they would be very interested in obtaining support for that, noting that the Goldston Board was willing to donate the facility if the County Health Department would operate it; and, unfortunately the resources were not now available to operate a clinic in that area.

Chairman Lucier asked was that facility now closed. Ms. Coleman responded it was closed since there was no one to operate it, although Goldston was on the borderline of First Health and UNC Health Services, but they were not sure either of those would be willing to operate it.

Chairman Lucier stated that was something they needed to discuss in the future, and looked forward to working with the Health Department on its health priorities.

CAPITAL IMPROVEMENTS PLAN

Renee Paschal, Assistant County Manager, stated she had a few brief remarks to make, and then would begin the discussion on the schools. She began by introducing Megan Posey, a first-year Masters of Public Administration student at UNC Chapel Hill, who was interning with the County.

Ms. Paschal stated her presentation on school projects would cover those completed, those approved but no contracts had been let, and new projects categorized by funding method; the next issue would be a summary of financing methods; and, then she would discuss other projects. She said she understood that the water projects needed to be separate, and if she could have about a fifteen-minute break after her presentation on the school projects, she would do that.

Ms. Paschal stated that it had been agreed that the schools would request all capital outlay items of \$50,000 and greater through the County's CIP process; the information the schools provided would follow the County's format; items approved as part of the CIP would not need to be requested again through the operating budget; many of the items requested would have otherwise gone through the annual capital outlay request; and, the schools accounted for over two-thirds of the County's CIP budget at 67.1%.

Ms. Paschal stated regarding the financing strategy, they were proposing that they use COPs for projects already approved or discussed, those being northeast high school, northeast middle school and the Northwood expansion; that bonds be used for new projects, those being the northeast elementary school and gym replacements; and, that Fund Balance be used for projects with \$500,000 or less annual cost, such as bleacher replacements. Ms. Paschal then provided information on completed contracts.

- Funding for a 200-student classroom "pod" at Northwood; a new cafeteria at Jordan-Mathews; and, lighting for tennis courts and softball fields at the County's three high schools. Cost: \$4.65 million; COPs issued.
- Construction of Virginia Cross Elementary School, a 105,000 square-foot elementary school on Alston Bridge Road in Siler City. Cost: \$17.9 million; COPs issued.

Ms. Paschal stated the next group of projects approved in a previous CIP that had design contracts but no construction contracts were:

- Construction of a 250,000 square-foot, LEED Silver high school on Jack Bennett Road in northeast Chatham; 800-student capacity; 1,200 core facilities. Cost: \$44.5 million; COPs proposed.

Ms. Paschal stated it would be helpful to ask questions now if needed, since school officials were present to help clarify issues.

Chairman Lucier stated this school was scheduled to be opened in 2011, and asked how comfortable were they with that schedule and what could the Commissioners do to make sure that schedule was met. Ann Hart, Superintendent of Schools, stated they were comfortable with the schedule, noting they were in the process of writing the request for services for architects and that would be let early in the new year to get the architects started on the design work. She said the issue they would want help on was the up-front planning funds for the architects to go ahead and do some of that work.

Chairman Lucier asked if that was part of the plan for this fiscal year or next fiscal year. Ann Hart, Superintendent of Schools, stated they had planning money in year one of \$2.2 million.

Chairman Lucier stated then the timing would need to start in July of 2008, for year one. Vicki McConnell, Finance Officer, stated that was correct.

Chairman Lucier stated he wanted to keep things on schedule, because if the project was slowed down, the school would not be ready to open in August of 2011. Ms. Hart stated that was why the design money was put in up front.

Chairman Lucier stated regarding the wastewater, was there any cost benefit analysis of wastewater going to Westfall or going to Governor's Club. Col. Totten, School Board Member, stated they had not yet responded to their email confirming the proposal that the wastewater go to Westfall that they had made several weeks ago.

Chairman Lucier stated there were different costs with each option, and for the Governor's Club the cost issue was the transmission line, but it was his understanding they would keep what was sent to them and not send it back to be sprayed. Kathie Russell, School Board Member, replied that was not their understanding. She said it was the Governor's Club option whether to send it back.

Chairman Lucier stated then it would be a different line coming back, so would they construct that line. Col. Totten stated yes, that that was in the agreement. Chairman Lucier asked should that be revisited, because they were going to be space-limited at that school as far as a spray area. Ms. Russell stated that was their main issue with that contract, and was why the Westfall option was being considered.

Chairman Lucier stated the problem with Westfall was they wanted to give back more than what was sent to them, and they may not have the area to spray it. Col. Totten said another option may be Dr. House's method, which was to handle all the sewage on site, raw and otherwise. He said once excavation began a lot of soil would have to be removed and replaced with top soil, and that would likely increase their ability to handle the affluent when and if it came back.

Chairman Lucier stated then the amount of affluent taken back, whether from Westfall or from Governor's Club, would be a big determinant of that cost. Col. Totten stated that was correct, noting that right now a rough estimate was one-half million to build a pumping station and the storage capacity to pump the raw sewage up to the Governor's Club, and next door it would be about \$150,000, so there was quite a savings involved there. He stated that Westfall had agreed to bring the contact line right down to one end of their property, so they could hook on to it on their own property by going just a short distance.

Commissioner Lucier stated the only problem was that it may require more site work because they potentially would need more spray area. He stated it would be helpful to have final negotiations with Westfall and Governor's Club before the project got too much farther along so they would have some idea of the relative costs of a housing system.

Commissioner Lucier stated he was also concerned that if they were taking too much back that they would not have the land to do that, and it would result in over-spraying of the ballfields. Col. Totten stated when they removed the bad soil, there was a requirement that they had to replace it with good soil from somewhere else.

Chairman Lucier stated the less of that you had to do the less the cost would be. Col. Totten stated what they would need almost immediately was an environmental assessment to see what could be done.

Commissioner Vanderbeck stated there was a limit as to how much soil you could put back and use from an environmental health standpoint to make your own septic field. He asked was there an option to tie in somewhere else, noting there was a sewer line going to Governor's Club from North Chatham School, which would provide for a shorter run and then perhaps that run could be expanded. Col. Totten stated that was why their easement went up to the northeast side of their property and Westfall, and it could tie in there if that pipeline was large enough to

handle the affluent. He stated that they had originally planned for 1,000 students, and it had been cut back to 800, so that would reduce the amount of sewage that would have to be pumped. Col. Totten said the biggest cost was the pumping station and the storage needed.

Commissioner Vanderbeck said there would also have to be a capital investment by the County put into Westfall's plan, and asked did he have a dollar figure on that. Col. Totten stated the tie-in would be right on the edge of their property, so all they had to do was to go from the school property over to that line. Commissioner Vanderbeck asked was that the limit of the County's capital investment. Col. Totten stated they would still have to have some storage and pumping capacity, but it would be a whole lot less.

Chairman Lucier stated what he was worried about was their wastewater treatment plant itself and if the County would have to pay for part of that. Col. Totten said that was one of the things they had ask them to respond to. Chairman Lucier said they were asking for 18,000 gallons a day, and their total capacity was 90,000 gallons a day for that plant, so that was 1/5 of the capacity. He stated he would not want to pay for 20% of the cost of the plant. Col. Totten stated they were still waiting for that answer.

Commissioner Cross stated they were talking about a school of 800 but the build-out was 1,200, so they needed to plan for sewerage capacity for 1,200 from the beginning.

Chairman Lucier stated that was correct, and that would be 18,000 gallons a day at 15 gallons per day per student.

Commissioner Vanderbeck stated it seemed that many things were still outstanding as far as getting the information to make the right decisions, and they needed that information soon.

Chairman Lucier stated he believed what they were saying was they wanted to work with the schools to make this school happen as soon as possible and get over some of those rough spots to get it going. Col. Totten stated he could get back in touch with Nick Robinson, who was the individual who had helped to put together some kind of agreement and see where they stood and report back to the Commissioners. But, he said, at the present time they were waiting for a response to their proposal.

Chairman Lucier stated the final thing then was that there was a park about a mile down the road, and one of the practice fields could likely be at that park, requiring about a three-minute ride in an activity bus. He stated that might help out with site planning, since it would be difficult to get a lot of ballfields on that site.

Loyse Hurley stated one thing that might help the school was that she believed that the State permit for the Governor's Club mandated that its sewage had to be disposed of on its own property, so that needed to be kept in mind.

Chairman Lucier stated it would be good to get that cleared up, and time would tell if the Governor's Club was the best option.

Ms. Paschal continued her presentation.

- Construction of a 130,000 square-foot, LEED Silver middle school in the Briar Chapel development off Andrews Store Road; 650-student capacity; 800 core facilities. Cost \$26.1 million; COPs proposed.

Ms. Hart stated they had also asked that a multi-purpose room be included, and asked Michelle Reams to speak to that. Ms. Reams, the band instructor at both Perry Harrison and North Chatham, stated that there was a great need for a multi-use room at the new middle school, noting that similar rooms at other schools were used every hour of the day as well as many nights; that such a room would give them access to a performing area for many purposes including space for visiting artists and the like; that such a room would provide seating for the middle school for special events; that the audience for a general chorus concert was 300-400 people; that the community was interested in having a large place to meet; and, they needed to share their resources.

Chairman Lucier stated then this was not included in the \$26.1 million price tag. Ms. Hart stated a multi-purpose room had been included in the revised estimates and the school board had approved it, so it was to be included in the \$26.1 million.

Chairman Lucier said his only surprise was that it was not included to begin with. Ms. Hart replied they had a limited budget and they had to make decisions about what to add, but the multi-purpose room was included with an estimated cost of about \$756,000.

Commissioner Thompson asked what the proposed seating capacity was. Ms. Reams said her request would be a minimum of 300.

Chairman Lucier asked what the seating capacity was at Northwood High School. Ms. Hart responded the auditorium seated about 400. Chairman Lucier asked if anyone had an issue with the multi-purpose room. There were no comments.

Commissioner Cross asked if this school was scheduled to open in 2010. Ms. Hart stated that was correct.

Chairman Lucier stated it was originally scheduled to open in 2009, but it had been pushed back. Ms. Hart stated they were shooting for August of 2010, but it may open during the school year. She said this school would take 6th, 7th, and 8th graders from two schools and move them into the new school. Ms. Hart said they would have to determine if it was feasible to move the students during the school year if the school was not ready to open in August of 2010, or just wait until August of 2011.

Chairman Lucier asked would they use the same or a different architect for the high school. Ms. Hart stated it depended, noting they would bid those services. She said they had bid the elementary and middle school together but the high school would be bid separately, so it may not be the same architect. Chairman Lucier stated that was his concern, in that he was seeing the middle school schedule being constantly pushed back for reasons he did not understand, and that North Chatham was 40% over capacity. Ms. Hart stated part of the reason for the delay was they had added the LEED and the multi-purpose room.

Chairman Lucier said he did not believe the LEED had anything to do with it, and believed that was just assigning blame where blame did not exist. Col. Totten stated that part of it was that the two principals did not sit down and talk to each other. He said they had finally had a joint meeting and had hashed out the details, and they were now on track. Col. Totten stated another issue was that the previous Board had withdrawn the design funding after they had already started down that path, so the project stopped for awhile; another delay was caused by the NCDOT on where Jack Bennett Road would actually go; and, if NCDOT moved the road even slightly they may not be able to build a school there.

Chairman Lucier stated they were aware of that, and it needed to be resolved as quickly as possible. He stated this Board had said they wanted that school built as soon as they could, they wanted it built green, and they were willing to pay a reasonable cost for that. Col. Totten agreed.

Ms. Hart stated part of the delay was the funding, and the school system had fronted the money for the design.

Ms. Russell stated they would hopefully avoid such issues with the new high school.

Commissioner Cross asked if they were looking at any State-approved plans for this school, or were they hiring architects and starting from scratch. Ms. Hart stated the SFLA used designs that were there, but it depended upon several issues including the site, which in this case was very narrow so they had to design a building that was long and narrow.

Ms. Paschal stated there were two projects proposed for bonds.

- Construction of a 110,000 square-foot, LEED Silver elementary school in the northeast part of the County by FY 2013, with an 800-student capacity at an estimated cost of \$28.1 million.

Commissioner Vanderbeck stated that the information said two elementary schools would be needed in 2013 and 2016, and those projections assumed the school system would use all remaining capacity through redistricting; in the absence of redistricting even more schools would be needed. He asked were they planning a redistricting. Ms. Russell responded that redistricting was on their agenda as an option. Commissioner Vanderbeck stated it should not be an option; that they had to do whatever was necessary to take advantage of the buildings they had. Ms. Russell agreed, noting that was why it had been added to their agenda for their next meeting.

Chairman Lucier agreed, but it was clearly the responsibility of the school board and all the Board could do was encourage them.

Ms. Paschal said the point of that was that it was the best case scenario, if those projections were correct.

Ms. Hart stated the modeling was being completed now and would come back to the school board in February, and part of that modeling was how to do the redistricting.

- Replacement of gymnasiums at Bennett, Silk Hope, and Bonlee Schools at an estimated cost of \$5.9 million.

Commissioner Vanderbeck stated that they were putting in all these roof tops and they had water shortages, so he would like to explore using those roof tops for solar hot water and potentially photovoltaic water collection. Ms. Russell stated they had asked their architect to provide information to do those things, and were exploring ways to move other schools in that direction.

Chairman Lucier stated they did have a policy that all public buildings built in Chatham County would be green. Ms. Russell stated what she was talking about was doing something with existing schools, including water collection, even if only one school could be done each year.

Chairman Lucier agreed the gyms needed replacing, noting he had coached in all of them at one time or another.

Commissioner Thompson stated he knew the Bonlee gym was quite old, because he had played there as a young man and everyone knew that was many years ago. He said the gyms definitely needed replacing.

Chairman Lucier stated there were also some safety issues associated with gyms that old, and they would have to put a bond on the ballot. Ms. Paschal stated they would have to talk about the timing of that, adding that for the elementary schools that was still a ways out; and, that adding all of the bond issues into one ballot might be a problem.

Ms. Paschal said for clarification, the LEED requirement for new construction was for public buildings over 20,000 square feet, and these gyms would likely not be over 20,000 square feet. She stated that if there were additional LEED requirements they would need to be discussed at some point.

Commissioner Vanderbeck stated he was just interested in taking advantage of the opportunity.

Ms. Paschal stated the next set of projects were new ones, and they were proposing to use COPs to finance them.

- Expansion of Northwood High School by construction of a 26,000 square-foot stand-alone building containing 14 classrooms to house art, band, chorus, visual arts, dance, and other classes, at an estimated cost of \$5.5 million.

Commissioner Cross stated he realized she was working with figures they had thought would come out of the northeast high school reduction, and the expansion of Northwood would take it up to 1,100 students. He said if they added four new classrooms and took that capacity up to 1,200 students, the buildout would be the same as the new northeast high school. He asked if that was a good idea, and was there enough room on that property to add four more classrooms.

Ms. Hart said one of the issues was core facility space and cafeteria space, so they would have to look to see how the core facility space would handle additional classrooms.

Commissioner Cross stated then the assumption was that the core could handle 1,100 but they did not know if it would handle 1,200.

Chairman Lucier stated the original core capacity was for 730.

Commissioner Cross asked when the new classrooms were added, would the mobile classrooms be removed.

Commissioner Barnes asked how they had come up with a core of 1,100. Ms. Hart stated the number was based on square footage, and the square footage translated into how many students it could support, which was 1,100.

Commissioner Barnes asked why they stopped at 1,100 rather than 1,200. Ms. Hart said the design costs were an issue.

Chairman Lucier stated they were trying to keep within a set figure. Ms. Hart stated that was correct, noting they were trying to stay at \$6 million or less. Chairman Lucier stated at some time in the future they would have 1,000 to 1,200 students at both the new high school and at Northwood, noting Northwood had grown by 150 students this past year and new homes were being built. He stated those schools would soon fill up, and it may be better to start thinking about that now.

Commissioner Cross stated he would like an answer as to whether the core could handle 1,200 students and four additional classrooms, since the money had to be dedicated in any case.

Chairman Lucier agreed. He stated the other issue was that year one was 2009, with \$470,000 plus for planning; that clearly the need was there now as it was for North Chatham, and asked was there any way that could be moved up. Chairman Lucier stated that Northwood was already a couple of hundred students over capacity. Ms. Hart stated it certainly could if they had the money, but the schools did not have the money to front the design work. Chairman Lucier stated then that would need to be discussed and considered in the context of the big picture.

Ms. Russell stated they would very much like to move that timeframe up.

Ms. McConnell stated that was entirely possible if the Board realized that the \$44 million was still out there when they had been counting on \$38 million. She stated when it came to building the high school they may need to look for additional sources of revenue.

Ms. Hart stated they had held some discussions about what they could do to change the core, and at Northwood they had considered expanding the cafeteria, but because they were limited to the \$6 million they had not considered that. She said they could look at expanding the core to accommodate 1,200 and report back to the Board.

Commissioner Cross stated he would like that information, but he also wanted the core to work.

Chairman Lucier asked about the number of lunch periods. Ms. Paschal stated that Northwood had three, and Jordan Matthews had four.

Ms. Paschal stated the next group of projects were new and the Board had not yet seen them, and they were proposing to fund them with Fund Balance. She stated the issue with Fund Balance was that the projects would be done as funding was available for appropriation; and, the projects did not have more than a \$500,000 annual effect on the budget.

Chairman Lucier asked if the North Chatham cafeteria was on that list. Ms. Paschal replied it was.

- Asbestos floor tile replacement: abatement and replacement of 60,375 square feet of asbestos floor tile in five schools: Chatham Central High School, Pittsboro

Elementary, Moncure, Paul Braxton, and SAGE Academy at a proposed cost of \$440,000.

- Bleacher replacements: remove unsafe bleachers at 11 schools and replace with aluminum bleachers that meet current safety codes at a proposed cost of \$645,000.

Ms. Paschal stated that both of those projects were already in progress; part had been funded through capital outlay during the current year. She stated the bleachers would be replaced at all schools over a period of five years.

Chairman Lucier stated it was his understanding that the bleachers did not meet current safety standards.

- Provide IP camera systems for all schools in the County at a proposed cost of \$667,336.

Ms. Paschal stated that was proposed to be done over a period of three years and \$20,000 had been appropriated out of capital outlay this fiscal year. She stated the idea was to have security cameras in all schools.

- Expansion of the North Chatham cafeteria: expand the cafeteria at North Chatham to accommodate an additional 100 students at a proposed cost of \$434,000, scheduled for 2010.

Chairman Lucier asked would there be any benefit of moving that up on the schedule as well. Ms. Paschal stated you could, but you would be appropriating more Fund Balance, and that would need to be looked at.

Ms. Paschal stated that the land purchase noted on page 54 was being removed, noting they had determined that the land did not meet their needs because of access and location.

- Renovate the high school science labs in all three high schools, including plumbing, cabinetry, etc. at a proposed cost of \$153,400.

Chairman Lucier asked was it true that there were no rooms built to be science labs at any of the three high schools. Ms. Russell stated there were some but not enough. She stated there were science labs at Jordan Matthews but they did not meet current standards.

Chairman Lucier stated when they had toured the schools, he remembered that the one at Central was really inadequate.

- Renovate student restrooms and add hot water to schools across the district. Schools having the least hot water availability will be prioritized ahead of other schools. Work would include replacing partitions, fixtures, and faucets; selective floor replacement; surface-mounted hot water piping; replace drop ceilings; and selective lighting improvements. Proposed cost is \$1.1 million.

Commissioner Vanderbeck stated that had recently been done through a grant at a school in Moncure. Ms. Russell stated it was one bathroom at one school. Commissioner Vanderbeck stated he again wanted to consider adding solar hot water collectors, which would normally pay for themselves in three years. Ms. Paschal stated it was working well at Moncure and also provided educational opportunities to the students.

- Renovate the wastewater and sand filter system at JS Waters at a proposed cost of \$125,000.

Chairman Lucier stated this one was right at the brink in terms of their capacity, but if they brought wastewater capacity to Goldston from Sanford, that issue would go away. Ms. Paschal said you could certainly tie into the line.

Commissioner Vanderbeck stated there had been some discussion of taking care of that on site, in which case they would not have to put in pipe lines.

Ms. Paschal stated that ended the requests from the schools.

Commissioner Cross stated that if Goldston became a sewer district, they would be running sewer lines by JS Waters School.

Chairman Lucier stated that at the present time the system was working, but it was at its capacity. He stated they could likely hold off for a short time to see what happened with Goldston.

Commissioner Cross stated that many of the staff had commented that Susan Little was most helpful, and thanked all of those who had worked hard on this excellent presentation.

Chairman Lucier stated that the information in that format was very helpful as the Board worked through the capital projects for the entire County, noting that the school system was the driver.

BREAK

Chairman Lucier called for a short break.

RECONVENE

Chairman Lucier called the meeting back to order.

Ms. Paschal stated she wanted to talk about how to finance the CIP as a whole, and what they needed to talk about was big ticket items. She stated they were using several methods, including lottery proceeds, a 5-cent tax increase, and impact fees to pay for debt service on these projects; with the new projects and the increase in cost they were likely looking at an additional tax increase of 4.5 cents; 1 cent would fund the gym replacements and Northwood expansion; 2.5 cents would fund the northeast elementary school; and 1 cent would be for additional water needs.

Chairman Lucier stated that 1 penny on a long term project would be about \$10 million. Ms. Paschal stated it was closer to \$12 million. She said the second assumption was that they would fund smaller needs through Fund Balance, as available, and the schedule in the CIP should be considered tentative.

Commissioner Cross asked if the 1 penny for water included the transmission line. Ms. Paschal replied basically, yes. She said regarding additional funding strategies, they were trying to maximize grant opportunities, especially with parks; there was not a full-blown CIP for parks because the Master Plan was not yet complete so they did not have good cost data except for the northeast park; they would be applying for PARTF grant funds in January and they received points for having the parks in the CIP; in order to match that PARTF grant they needed another funding source; they would continue to explore new sources including developer agreements that would allow the use of recreation fees to be used for facilities in addition to land; and, the proposal at this time was to fund parks through grants and another 1 cent increase in property taxes.

Ms. Paschal stated they were proposing to fund a northeast solid waste collection center through an \$8 to \$10 per year increase in solid waste fees, with funds accumulating in capital reserve, effective in FY 2009.

Ms. Paschal displayed a pie chart of the financing methods, noting that installment purchases, or COPs, and bond proceeds accounted for 92%.

Commissioner Cross asked if the 1 cent for the northeast elementary school would also cover the cost of the land. Ms. Paschal said it was actually 2.5 cents for the northeast elementary school, and she did not know if that included the cost of land or if the cost of the land was already in the school's budget.

Chairman Lucier wondered if they were looking for the land for that school. Ms. Paschal stated she did not know.

Commissioner Cross asked Col. Totten if he knew the answer. Col. Totten stated he believed they were looking for the land for that school.

Chairman Lucier asked if there was a location circle. Col. Totten stated that in February the operations land people from NC State would be coming in to make another presentation and they would select the optimum site, but right now there was not one. Chairman Lucier said then once that was done, they needed to acquire the land as soon as possible.

Commissioner Cross stated there may be a developer in that area that would have some extra land, and possibly they could work a deal to have a school near that development.

Chairman Lucier stated there was also eminent domain. Col. Totten stated they had been working closely with the Planning Board, and once a developer was identified with enough land they would talk with them. He stated for an elementary school you needed between 25 and 35 acres, and it was difficult to convince a developer to give that up unless it was a really large tract of land to begin with.

Ms. Paschal stated she wanted to go through three indicators that the Local Government Commission looked at regarding debt, and the first was the worst which was debt per capita; in 2013 which was their highest year of debt they would exceed the current State high of debt per capita in this proposed financing plan.

Chairman Lucier asked about the State high. Ms. Paschal stated that the current State high in their population group was \$1,772, which was for counties with a population of 50,000 to 99,999; the State average was \$673 and the State low was \$100.

Commissioner Thompson asked what the negative repercussions were as a result of being in that situation. Ms. Paschal stated it could affect their bond rating; the LGC could look at that and refuse to allow them to carry that much debt; the LGC had already approved the \$133 million, and this was another \$36 million. Ms. Paschal said the slightly better news was that another key indicator of debt capacity was debt as a percentage of your assessed value; the State high was currently 2.1% and they would not reach that point; the State average was currently .91% and they would be above that next year. Ms. Paschal stated that assumed that the property tax base grew by 5% each year, which was to date a fairly conservative figure.

Ms. Paschal stated that there was currently a crisis in the housing market, and they needed to pay close attention to how that might affect their property values.

Chairman Lucier stated he believed a lot of other counties were all grappling with the same issues. Ms. Paschal stated in the past they had been very low, but that meant they had not kept up with their capital needs; this plan would get them current with those needs as well as with the new elementary school but starting to project into the future what they would need. She said even though the debt was high, they needed the facilities for the growth that was occurring in the County.

Ms. Paschal stated the last indicator was a little better news, and that was debt service as a percent of the General Fund; they would not get to the LGC maximum which was 15%; that 2013 would be their highest percentage year. Ms. Paschal referred to the graph where they had projected out all the known variables and projected how they think revenues and expenditures would grow as well as debt service; the Fund Balance picture was not really bad considering they were planning on appropriating large amounts of Fund Balance for those capital needs; starting in fiscal year 2010 they needed to keep a close eye so they did not drop below their 20% threshold. Ms. Paschal noted when doing projections they were very conservative, so they should beat those projections, assuming the economy held together. So, she said, it was not as bleak a picture as it appeared.

Commissioner Barnes stated we would drop below 20% in fiscal year 2010, and economists were predicting a recession in 2010. But, he stated, the worst scenario Ms. Paschal was predicting was 16.7%. Ms. Paschal said if the economy maintained, yes.

Commissioner Thompson stated but again, these were conservative projections.

Commissioner Barnes stated in 2010 they could also rework it. Ms. Paschal stated absolutely, which was why they had projected it out so they would know when a problem might arise and they would need to back off. Luckily, she said, they were one-time projects that did not require a long-term commitment with the appropriation of Fund Balance. She said they could be started and stopped as funds were available.

Chairman Lucier asked was Ms. McConnell and Ms. Paschal comfortable with the distribution of what they were paying for COPs, the bonds, and what they were taking from Fund balance. Ms. McConnell stated she believed it was a reasonable distribution, but in 2010 they would need to take a hard look at it since the economy would drive a lot of that.

Chairman Lucier stated then they would need to reassess that each year. Ms. McConnell stated that was correct.

Commissioner Cross stated when the charts were reproduced next year, he suggested keeping this year's lines so that the Board could see the changes from year to year.

The County Manager stated they would need to be careful in providing to the Board what they saw as the trends, noting there were other variables that might have an effect, including a pandemic.

Commissioner Barnes stated with the possibility of a national recession in 2010, then he would be in favor of keeping that 20% and looking at it each year. He stated if you dipped below that figure and a recession hit, then that would be problematic.

Chairman Lucier stated he believed they all agreed they needed to keep that 20% Fund Balance, and agreed they needed to look at it each year.

Commissioner Barnes asked when they would have a new Superintendent for the Board of Education. Col. Totten stated they were interviewing two candidates this evening for interim Superintendent, and the schedule called for a new Superintendent to be in place by July 1, 2008.

Commissioner Barnes stated when they worked up these sheets it was not done lightly, and they were given to the school board and then said this is the year you can have the money to do certain projects. He stated they then constantly heard from the schools if and when the County was going to give them money. Commissioner Barnes said frankly that bothered him. Col. Totten stated his comment was well-taken, and he would carry that message to the rest of the school board. Commissioner Barnes stated they wanted to see the schools built as soon as possible, but if they had to borrow the money then it had to be paid back; he said that was done via their schedule and the school board needed to provide a little more cooperation on that matter.

Ms. Paschal stated their goal was to keep Fund Balance at 20% at the least, so they would adjust the schedule each year to accomplish that.

Chairman Lucier stated what she was hearing the Board say was that they agreed with that, and depended upon staff to keep the Board apprised of that.

Ms. Paschal stated they would now talk about water, and would first provide an update on completed projects so that the Commissioners would know the status of previously approved projects. She stated the first were the Group B projects, which were \$8.2 million; \$6.2 million was financed through a low-interest State revolving loan and \$2 million was transferred from water capital reserve. Next, she said, was the Silk Hope School water main extension, which was \$1.2 million funded from a transfer from the water capital reserve. Ms. Paschal stated the Southern Supreme main extension was completed with \$224,199 coming from a grant, and \$128,019 coming from a transfer from water capital reserve.

Commissioner Vanderbeck stated there had been a mention on page 93, the Southern Supreme main extension, that it was been done so that the company could increase production and hire more employees. He stated that if the Board had done that for those reasons, then they deserved some accountability as to how successfully that had worked out, although they did not need that answer now.

Commissioner Barnes stated that two-thirds of the cost was through a grant, so the County had only contributed one-third of the cost. David Hughes, Public Works Director, stated it must have been successful because Southern Supreme was now hiring out-of-season.

Commissioner Vanderbeck stated it was hard to make such a claim to get a loan, and now that they had it, was it worth it.

Commissioner Thompson asked wasn't there stipulations for the grant that had to be verified.

Commissioner Cross stated it was \$10,000 per job and it had to be verified within a certain timeframe.

Commissioner Vanderbeck stated that the Board needed to receive a follow-up on that.

Ms. Paschal stated the next water projects were approved in a previous CIP and were not included in the CIP last year. She stated construction contracts had been awarded, and their assumption was that these projects needed to remain as scheduled and as funded.

- North Chatham Hydraulic Improvements, which was almost completed and funded by a \$2.2 million transfer from water capital reserve.
- Western Transmission Mains, with \$11 million to be borrowed next year and the project was underway.

Chairman Lucier stated that was being delayed a bit because they were running a line to Siler City. Mr. Hughes replied no, they were actually accelerating that project.

Chairman Lucier stated they had made an agreement with Siler City, in that the County would pay for it and Siler City would pay them back.

Commissioner Thompson stated then they were still on schedule. Mr. Hughes stated that was correct.

Ms. Paschal stated other projects that were approved in a previous CIP but other than design no contracts had been let, so the assumption was that if you wanted to change the schedule and the funding you could do so.

- Upgrading the Jordan Lake water treatment plant capacity from 3 to 7 million gallons per day with \$15 million as the cost and funding proposed by COPs.

Chairman Lucier stated the previous estimate was \$11 million. Mr. Hughes stated they had rolled the raw water pump station into that rather than having two separate contracts, and had added money for a UV system to produce some disinfection by-products, plus there was an inflation factor.

Chairman Lucier stated previously they were going to upgrade the Harnett plant, and asked if that would be funded by COPs as well or was that cost transferred over to here. Ms. Paschal stated that was correct.

Commissioner Cross asked were they doing a new contract with Cary for their water intake. Mr. Hughes stated they had an interim contract through this fiscal year and then it would be renegotiated.

Chairman Lucier stated this plant upgrade was scheduled to be completed in 2010, and believed everyone agreed it was a high priority item and they needed to move forward as planned.

Ms. Paschal stated another cost issue with this plant upgrade was the new system of filtration being required by the State. Mr. Hughes agreed, stating the State was requiring that they install conventional filters to replace the existing green leaf filters.

Chairman Lucier stated their water allocation from Jordan Lake was 6 million gallons per day and this plant would be increased to 7 million. Mr. Hughes stated that 6 million was the average. Chairman Lucier stated then on some days they may treat 7 million and on some days 5, but they had to average 6 over the course of a year. Mr. Hughes stated that was correct.

Commissioner Cross stated that would be very close to the 10% of allocation you could not pump in any case. Mr. Hughes stated some was lost to backwash. Commissioner Cross asked didn't the State require you to stay 10% under your allocation? Mr. Hughes stated not that he was aware of, noting that on some days you could process 10 million gallons in the summer and in winter months only 4, so it averaged out.

Commissioner Cross said for the last three years he had heard that they were allowed to pump 3 million gallons per day, but because of the State reserve requirements they could actually only pump 2.7 million gallons. Mr. Hughes said he had not heard that but would check on it. Commissioner Cross said that 6 or 7 million gallons would put them in a safe place if that was true.

Commissioner Barnes agreed that was what they had been told. Mr. Hughes promised to check on that.

- Construction of the Southeast Water District distribution lines, which was the result of the voter approved financing in that area; the cost was \$5.9 million and COPs were proposed to finance that.

Chairman Lucier stated that was in the previous CIP plan was well. Ms. Paschal stated that was correct.

Ms. Paschal stated the next set of projects were projects that have not been approved and probably had not been seen before, but were being recommended and the assumption was of course the scheduling could be changed.

- Governor's Club water main relocation at a cost of \$88,000 proposed to be transferred from the water capital reserve.
- Improving the Sanford interconnection which would pay for itself in less than 5 years, and would increase the amount of water available from 300,000 gallons per day to 1.3 million gallons per day, proposed to be financed with \$1,062,000 from the water capital reserve

Commissioner Cross asked about the sale of water to Siler City. The County Manager stated that as a short-term solution to the water crisis that Siler City would pay the County and the County would pay Sanford for the water.

Chairman Lucier stated he assumed that Sanford had agreed to that. Mr. Hughes stated that was correct, but they needed to have a contract with Siler City. Chairman Lucier asked if the cost was \$2.67 per 1,000 gallons. Mr. Hughes stated it would be \$2.15, but negotiated to escalate at some point in the future.

Commissioner Barnes, speaking to Randal Rigsbee of the Chatham Record, stated in the Chatham Record last week it was reported that the Siler City Town Board, specifically Commissioner Larry Cheek, had made the comment that the County was doing "nothing" to help Siler City with its water problems. He asked Mr. Rigsbee to please print this whole page they were discussing so that the public would know that the County was doing something for Siler City. He asked that once the agreement was signed, that it be printed in the paper as well.

Chairman Lucier stated there were three things done this year to help Siler City's water situation: one was to allow them to use part of the County's unused allocation to take water out of Jordan Lake at no cost other than their trucking costs, which allowed the poultry plants to remain in operation without excessive costs; they had accelerated the interconnectivity with Siler City at a cost of about \$400,000 to the County, which would be paid back by Siler City, and that allowed them to transmit water to Siler City from their Sanford connection; and, they were now going to spend another \$1 million from the water capital reserve to increase the capacity to 1.3 million gallons a day to be pumped from Sanford to Siler City.

Commissioner Barnes stated that sounded like a lot of help to him. He stated this Board had stressed cooperation between everyone in the County, and what they had done had backed that up.

Commissioner Thompson added that he believed the help was given very quickly with not a lot of wrangling on the part of this Board in offering that assistance. He stated it was done quickly, it was done amicably, and they all wanted to do it and had expressed that.

Chairman Lucier stated the poultry plants had made the request for additional water on a Tuesday and by Friday of that same week they had received approvals from the Army Corp of Engineers, from the Parks Service and from DENR to make that happen. He stated to get those approvals in 3½ days was a remarkable accomplishment. Chairman Lucier thanked the County Manager and the Public Works Director for that.

- Upgrade their connection with Durham at a cost of \$142,000, plus the cost of a booster pump, proposed to be funded by a transfer from the water capital reserve

Mr. Hughes stated a temporary booster pump had been installed when the last connection was upgraded, and that the \$142,000 did not include that cost.

Chairman Lucier asked if that was primarily for the County or for Durham. Mr. Hughes responded it was for the County to augment its water supply. He noted it would also be used to send water to Durham if necessary.

The County Manager stated it would be designed for a mutual aid process so that water could go either way. Mr. Hughes stated that theoretically they could send water to Durham in the winter months and they could then store it in their reservoir until needed.

Chairman Lucier stated that the County's water situation was much better than Durham's.

- Upgrade of the transmission line at a proposed cost of \$21 million.

Ms. Paschal stated that when the plant was upgraded to 7 million gallons per day it would be necessary to upgrade the transmission line, and the last portion of that cost was a directional bore under Jordan Lake at a cost of \$14.8 million. Ms. Paschal stated they were actively exploring other, much less costly options.

Mr. Hughes stated they were considering the option of sinking a line rather than boring a line as an alternative.

Chairman Lucier stated that needed to be done in concert with the upgrade to the treatment plant. Mr. Hughes agreed. Chairman Lucier asked what would happen if they did not do that. Mr. Hughes stated then they would have a plant with 7 million gallons of water that could not be sent anywhere. Chairman Lucier asked why had that not been brought up before. Mr. Hughes stated he did not know, noting it was before his time with the County.

Commissioner Barnes asked about going down the median of the road and crossing the lake at the bridge. Mr. Hughes stated that NCDOT had shown reluctance to do that.

Chairman Lucier asked was there anything the Board could do to help with that. Mr. Hughes stated there were others he would contact to see if that option could be reconsidered.

Chairman Lucier stated the issue as he saw it was that they could push up to the northeast park a couple of million of gallons per day. Mr. Hughes stated that could pump three if the pump station was upgraded, and possibly four. Chairman Lucier stated then they had the problem of all the homes approved there but not yet built who had been promised water; at the time it was promised they could not deliver it and had no mechanism in place to do so. Mr. Hughes agreed things were done out of sequence, but the line would be still be brought on line at the same time as the plant.

Commissioner Vanderbeck stated then if they did not do this then those approved homes would have no water. Mr. Hughes stated that was correct. Commissioner Vanderbeck stated the point needed to be made that perhaps the previous Board did not get the right advice from their

consultants, but this was another item that was very expensive that had not made it into the CIP that now had to be done. He stated that was unfortunate and they were going to have to bear the brunt of it, but it needed to be done.

Chairman Lucier noted that oversight was 2 cents on the tax rate. Ms. Paschal stated that since they were not doing the Harnett option there would be some savings there, so the result was that they would need another 1 cent increase to the tax rate in order to do this project. Chairman Lucier stated that the \$21 million, in itself, was 2 cents on the tax rate. Ms. Paschal stated it was close to it.

Commissioner Thompson stated that to legally bind yourself to providing water in an area and miss \$14.7 million as part of the funding to provide that water was not a minor oversight. He stated that was major and was incredible, but they had a legal obligation to provide that water so they had no choice.

Chairman Lucier stated they were surprised by this, but believed they all realized they would have to go forward with it.

Ms. Paschal stated the next category of projects was future projects, and were categorized that way because there was not enough information to either schedule them or they did not yet have good cost estimates; and, they were not being recommended in the CIP but were included to provide information about possible future obligations. She stated there were two projects in this category.

- Construction of a sewer line from Sanford to Goldston, and they were currently awaiting action from the Town of Goldston.

Chairman Lucier stated this Board had stated in the past it was in full support of moving ahead with that project, but they obviously did not have any reasonable cost estimates.

Commissioner Barnes asked what was the cost originally projected as Goldston's cost.

Chairman Lucier responded he believed it was about \$1.5 million, with a total cost of \$3 million. The County Manager stated they were not recommending that project because right now as it was contingent upon Goldston's actions.

Commissioner Cross stated the hang-up was that Goldston would have to become a sewer district; they could not afford to put in the sewer lines themselves and have a sewerage fee low enough for their customers to be able to pay. He stated they would likely need a lot of State and federal funding.

Chairman Lucier stated the County would help them as much as possible to get those grants; that clearly this project was a good investment not only for Goldston but for the County as well; they were located on Highway #421, and it could potentially become a commercial center and become a part of the County's economic development plan.

Commissioner Thompson asked where the sewage capacity was concerned, would it be enough just for the residential needs of the existing community, or could it be expanded to include industry.

Chairman Lucier stated he and Commissioner Cross had met with the Mayor and had agreed there was an immediate need due to the public health issue, but it did not make sense to run a line all the way out to Sanford and then not think about the future use. So, he stated, the answer to the question was yes.

- Construction of the southwest water district distribution lines; there were not sufficient sign-ups in that area to determine what lines were needed and what the cost estimates were, so there was not enough information to put that project in the CIP.

Mr. Hughes stated there was some issue about the sewer system at the school in Goldston, and he would not depend on this system to rescue that. He stated that discussions with the Rural Center had not been very promising, so they would need to look elsewhere as that system got further stressed.

Commissioner Cross stated that regarding the southeast water district lines, did they still have New Hill Church Road, Flatwoods Roads and 42 going to contract. Mr. Hughes replied not yet, they were still in the design stage. He stated that part of New Hill had been taken out, but he would have to check the map.

Commissioner Cross stated that with what was being done at New Hill, Flatwoods, and 42, when was that work estimated to be completed. Mr. Hughes responded in the spring of 2009.

Commissioner Cross stated the last time he had asked that question it was going to be started this fall and finished in the spring, and now they were into 2009. Mr. Hughes stated the project had changed somewhat, and it was possible they could be finished by the end of 2008.

Commissioner Vanderbeck stated regarding the Goldston situation, they needed to be working on an economic development plan, potentially through the EDC, to get a pilot program going; then the County could say we've got you the water, now what are you going to do with it. He stated if they had a concurrent plan in place that may in itself help them secure funding other than what they would get just by putting in sewer.

Chairman Lucier agreed, noting that was a good recommendation.

Commissioner Cross stated he did not know when Goldston had talked with the Rural Center, but there was about \$1 billion dollars available to the State for such grants. Mr. Hughes stated they may have talked with the Rural Center before those funds were made available.

Ms. McConnell stated she had a few remarks to make regarding the financing of the water. She stated that they had included another penny for water; they needed to keep in mind that when the model for financing had been done they were looking at a \$900,000 a year transfer from the water operating fund; the drought had dramatically cut down their water revenues; and, if that \$900,000 a year was not available for transfer then they made need more than a penny. Ms. McConnell stated the other issue was availability fees, in that if the economy went bad and they did not have the development coming in, then that revenue source would be reduced or would dry up.

Chairman Lucier asked what would be her low-ball drought estimate regarding that \$900,000 a year transfer. Ms. McConnell stated her guess would be it could drop to \$500,000.

The County Manager stated just for information, other jurisdictions were going to tiered rates regarding water conservation.

Commissioner Vanderbeck stated they already had tiered rates, and he had heard they had the highest in the State so they had been ahead of the curve. He stated they had not had enough signees so they had had to charge a higher rate to pay for the system.

Ms. McConnell stated they had also instituted conservation rates, and that was why they were so high. She stated that people paid dearly for irrigation privileges.

Commissioner Vanderbeck stated they were ahead of the curve, noting that someone in Durham had just sunk his own well because he wanted to irrigate.

Ms. Paschal stated the next category for discussion was "other" projects, which did not include schools or water.

- Development of a southwest district park located adjacent to Chatham Central High School; it included a trail, fencing, a lighted multi-use ball field, covered picnic shelter with full kitchen and concession stand, a sand volleyball court, a playground, a shelter, and restrooms. The total cost was \$608,294; with \$290,711 coming from grants; \$250,000 coming from the General Fund; \$55,357 coming from recreation fees; and \$12,226 coming from other sources. Some additional amenities may be added.
- Replacement of the telephone system at the Siler City Health Department; the cost was \$49,982 coming from Fund Balance.

Ms. Paschal stated the next set of projects were approved in last year's CIP and contracts other than design had been let so they had either let installation contracts or construction contracts. She stated the assumption was that they could not change the funding or the scheduling of these projects.

- American Tobacco Trail – participate with other jurisdictions in converting a former Norfolk Southern Railroad line into approximately 23 miles of trails between downtown Durham and Bonsal in Wake County; cost was \$60,000 coming from recreation fees. They were working on a formal agreement with Cary to do the formal construction management for this project and the County would pay Cary \$60,000 each year to maintain the County's section of the American Tobacco Trail for 5 years.

Chairman Lucier stated that was a good deal for the County, since they had estimated it would cost them about \$400,000 to maintain it themselves.

Commissioner Vanderbeck stated it had been noted that Cary would need additional funds for land purchase but no amount had been assigned to that or what they were looking to purchase. Ms. Paschal stated it was confusing, and one reason for that was they had yet to work out the details of the contract. She stated the idea was they would use recreation fees to pay for that through a contractual relationship with Cary where they would assist Cary with the purchase of land that was the trail head actually located in Chatham County's territory.

Commissioner Vanderbeck asked did she know what acreage was being considered so they could potentially bargain. Ms. Paschal responded no, that the idea was that the amount would be \$60,000.

Ms. Paschal stated the next project was almost completed.

- Renovation of the Dunlap Building, the Sheriff's Office the Siler City Health Department, and the Soil and Water offices all funded through Fund Balance.

Commissioner Vanderbeck asked if the Siler City Health Department was the County's satellite health department. Ms. Paschal responded it was.

- Central Carolina Business Park in Siler City at a cost of just over \$7 million and funded through COPs.

Chairman Lucier stated they were going to pay \$200,000 to upgrade the road, and asked if that was part of that. Ms. Paschal responded it was.

- Electronic document management system (EDMS) to scan and retrieve paper files, funded through \$500,000 appropriated from Fund Balance each year with one more year left.

Commissioner Vanderbeck stated by doing this they were saving storage space, so anything reflected in this project was related to moving to that EDMS system, and that the savings were already built into the CIP. Ms. Paschal stated that was correct.

- Replacement the Sheriff's Office and Jail software at a cost of \$90,570 out of Fund Balance. To service that building the addition was expected to be done in March and the renovation would be done something this summer.

Commissioner Cross asked how many non-profits would be able to move back into that building. Ms. Paschal stated that Deep River Mediation would be coming back to the old DDS building, and they had taken care of CORA and Chatham Together; and, that those were the only three.

Ms. Paschal stated the next project was the replacement of the County's existing telephone system with a hybrid "Voice Over IP" system at a cost of \$300,000 from Fund Balance.

Ms. Paschal stated the next set of projects had been approved in last year's CIP, but no construction contracts had been let. She stated the assumption was you could change the schedule, the funding, or the approval of these projects.

- Construction of a classroom building at the CCCC Pittsboro campus to house sustainable technology programs, with a revised budget of \$4.1 million with COPs proposed. Construction of an industrial and adult education building at the CCCC Siler City campus to be built in the County's business park at a cost of \$5.6 million with COPs proposed.

Chairman Lucier stated that had been taken out of FY 2009. Ms. Paschal stated that was correct, and noted construction would likely go into 2010. Chairman Lucier stated that some of those funds could be moved forward to increase a couple of the school projects because of the timing of when that would be built. Ms. McConnell stated that was correct. Chairman Lucier stated he would like to see some of the school projects sped up. Ms. McConnell stated they could definitely speed up Northwood.

- Judicial facility – the cost figure of \$23.9 million was an estimate less the cost of moving the historic houses as discussed at a previous meeting, with COPs financing proposed.

Chairman Lucier stated his concern with this project was the wastewater concern in Pittsboro, and asked what the status was of that; he stated their upper number was 1,800 gallons per day, and asked what would be the estimated usage per day. The County Manager stated he had talked with Pittsboro Town Manager Bill Terry to determine if Pittsboro's moratorium extended to governmental buildings, and it did in their attorney's opinion, so they would need to sit down and talk with Pittsboro about that.

Chairman Lucier asked what would be the options. The County Manager stated they needed to see if it could be determined as a health and safety type of issue so that it could be exempted from the moratorium.

Chairman Lucier stated it was not only a health and safety issue, but an economic issue. He stated he saw no evidence that the moratorium would end soon because Pittsboro had made no progress in upgrading the wastewater treatment plant. He asked what their options were, noting that this was a building they were mandated to do. The County Manager stated it was not mandated, but the judges had said they were out of space. He stated the judges had the prerogative to mandate that but they had not done so at this point.

Chairman Lucier stated they may need to ask for help from the judges or from the State in terms of talking with Pittsboro so that the project could move forward, noting this was an economic development issue for Pittsboro. He asked what their options were if they bumped up against a stone wall; should they move it out of Pittsboro? The County Manager stated that was always an option, noting some counties had done that, but that would strangle downtown revitalization if they did that.

Chairman Lucier said he did not understand why Pittsboro did not just say yes, since it was an economic development issue. Ms. Paschal stated because they had said no to everyone else.

Commissioner Cross wondered if the judicial center could be moved to one of the community college campuses.

Chairman Lucier stated they did not have the space, noting they would need a substantial amount of land to do that.

The County Manager stated they would entertain all possibilities, but they were at the place where it had to be approved by the Town of Pittsboro.

Commissioner Vanderbeck stated they get to the point where a judge would intervene.

Chairman Lucier stated this project could potentially get pushed back. The County Manager stated that was correct. Chairman Lucier asked was there a timeframe where they

needed to get the approval from Pittsboro to maintain the current funding schedule. The County Manager stated they would like to get this resolved in the next two to three weeks. He stated the contracts were on hold until such time as this was figured out.

Ms. Paschal stated the issue was whether to approve Phase 2 of the architects contracts so that they could proceed with design.

Robin James, Purchasing Agent, stated that construction documents were scheduled for February, with bidding scheduled for August.

Chairman Lucier stated they were up against a stone wall here and believed they would have to revisit this again soon, and they needed to get the negotiations with Pittsboro out of the way fairly quickly.

Commissioner Thompson asked if a consensus was needed on that, or was there any other action the Board should take right now. He asked if they should increase their efforts by getting some of the County Commissioners involved. The County Manager stated that staff would make the necessary contacts.

Commissioner Cross stated if they knew there was an option of moving the judicial facility outside of the Town that might help speed a decision.

Commissioner Thompson stated they needed to get Pittsboro to make a decision one way or another.

Chairman Lucier agreed, adding that he would like a meeting set up between he and one other Commissioner with two of Pittsboro's Commissioners to talk about this, to include the County Manager and the Pittsboro Town Manager.

Commissioner Thompson stated he would be fine with the Chair and the Vice Chair participating in that meeting.

Chairman Lucier stated he wanted that meeting set as soon as possible.

- Improvements at the Law Enforcement Center site and the Emergency Operations Center at a cost of \$560,956 appropriated from Fund Balance in FY 2008.
- Construction of the Chatham Community Library on the Central Carolina Community College (CCCC) Pittsboro campus at a cost of \$7.9 million, with COPs financing proposed.

Chairman Lucier stated the cost had increased from \$5.1 to \$7.9 million. He asked if that cost included the wastewater system. Ms. Paschal stated it did not. Chairman Lucier stated that was another \$400,000, so that would bring it up to \$8.3 million.

- Manager's Office Expansion and Renovation, proposed to be done once the judicial facility was completed. They would renovate the existing District Court, judges' offices, and jury room to accommodate the County Manager's Office. The cost was \$1 million and proposed from Fund Balance.

Chairman Lucier asked if that was scheduled for 2011. Ms. Paschal stated that was correct, noting the judicial facility had to be completed and everyone moved before the renovation could take place. She stated they were proposing to put up some planning money next year to get cost estimates and preliminary design work done.

- Phase 1 of the northeast district park with a total cost of \$2.9 million; \$500,000 would come from a PARTF grant and \$1 million was proposed to come from capital reserve. \$1.4 million in recreation fees was used to purchase the land. She stated their chances were good in receiving the PARTF grant.

Chairman Lucier stated they had already spent \$1.4 million, and the remaining amount was \$1.5 million. Ms. Paschal stated that was correct, adding the Board would see a proposal in January for the PARTF grant.

- Register of Deeds relocation and renovation, proposed to be done once the judicial facility was completed. They would renovate the current Clerk of Court space for the Register of Deeds, and renovate the current Register of Deeds space for other County offices; cost estimated at \$942,500 from Fund Balance.

Ms Paschal said the next group of projects were projects not seen before and not previously approved in the CIP; the assumption was that they could change the scheduling, the funding, or approval.

- Detention Facility feasibility study – hire a consultant to program a new jail facility and develop preliminary cost estimated; cost estimated at \$75,000 from Fund Balance.

Chairman Lucier stated the jail could be another big ticket item, but there was no doubt that if the County grew the way they expected it to grow, a new jail was needed. He asked if the current jail was at full capacity. Ms. Paschal stated not yet, but the trend was moving up. She stated they were currently at 43.8 and their capacity was 51. Ms. Paschal stated the Sheriff had made some changes in 2004 that had helped people not to stay in the jail as long but the trend was on the rise.

Chairman Lucier asked where they were putting those people. Kevin Whiteheart, County Attorney, stated one the changes instituted was electronic monitoring for domestic violence cases, and they were attempting to spread that model out to non-violent offenders that were spending time in jail.

Commissioner Vanderbeck stated this was another issue potentially tied to the judicial facility. Ms. Paschal agreed.

- Purchase of GIS Software/Database for economic development, which was proprietary software which gave detailed site and demographic data for available land and buildings in a specific geographic area; cost noted at \$54,000 from Fund Balance.
- Library hardware and software for automation system at a cost of \$112,013; \$88,918 from a grant and \$23,095 from Fund Balance. Chances of grant funding are good.

Chairman Lucier stated they needed the Library equipment because they no longer had the agreement with Alamance County. Ms. Paschal stated they still had that agreement, but they were a separate library system from Alamance; when they separated from Alamance in 2006, their plan was a complete separation at some point so that Alamance no longer processed their books for them.

- Library Radio Frequency Identification equipment which would read a tag placed in all materials and would aid in inventory control; cost at \$321,900, with \$100,000 from a grant and \$221,900 from Fund Balance. Chances of grant funding are fair, but Friends of the Library had also tentatively pledged funding.

Chairman Lucier asked how the system would minimize book theft. Ms. Paschal stated if you walked out of the library without checking out the material a security alarm would beep; the system would also enable self-checkout of materials.

Reece Jones, Library Board Member, stated they were prepared to help with that system out of their Library Fund, it was just a matter of what portion they would pay and how much that was. He stated if you were building a new library, then the RFID system was the way to go since it was state-of-the-art.

- Library alternative wastewater project – construction of an innovative system to treat and reuse wastewater and rainwater for flushing toilets and supplying water to the HVAC cooling system for the new Library and the CCCC Sustainable Technologies Building; cost at \$414,788, with \$407,288 proposed as COPs financing, and the Friends of the Library had contributed \$7,500 for initial planning costs.

Chairman Lucier stated if they did the reuse system, what would the use be per day; would it be zero? Ms. Paschal responded yes. Chairman Lucier asked couldn't they add that to

the judicial building capacity, since this system would be saving Pittsboro 1,800 gallons per day. Ms. Paschal stated that would be a good argument to make to the Town.

Chairman Lucier asked what the estimated usage was for the judicial building. The County Manager stated they would have to check with the architect.

Ms. Paschal stated she wanted to publicly thank the Friends of the Library for their contribution of the \$7,500 for the initial planning costs for the alternative wastewater project.

Ms. McConnell asked if it did not rain, would this system work? Ms. Paschal replied no, but they would be tied onto the Town's sewer connection.

Chairman Lucier asked if they would build into that a storage collection system for rainwater. The County Manager stated they would for the judicial facility, noting that was their intention.

Commissioner Vanderbeck stated that the County would realize savings in sewer costs, but it was not mentioned that they would experience savings in water as well, which was part of the sell job for this project.

Chairman Lucier asked what did Ms. Paschal need from the Board in order to move forward with this project. Ms. Paschal stated they needed to decide fairly soon if this was going to be part of the construction contract.

Commissioner Vanderbeck stated he was in favor of it.

Commissioner Thompson stated he was as well, noting it was part of the principles set forth by this Board as far as green building and other sustainability issues.

Commissioner Vanderbeck stated it was also an educational opportunity, and possibly a course structure would come out of it as far as how to maintain such systems.

Commissioner Cross stated he was in favor of it, as did Commissioner Barnes.

Chairman Lucier instructed Ms. Paschal to move forward with the project.

Col. Totten stated their architect had raised the question of whether or not this Board would be interested in "lease and build."

Chairman Lucier stated Col. Totten was referring to a presentation given to the previous Board about 1½ years ago. Col. Totten stated that was correct, noting it was a program where the builder/developer/company/architect would build the building then lease it back to the County for a period of perhaps 40 years.

Chairman Lucier stated the comparison would be a lease of 40 years compared to the County paying something off in 30 years through COPs. Ms. Paschal stated yes, but there were a lot of other factors to be considered.

Commissioner Cross stated that rental payments over 30 years were likely cheaper than loan payments.

Chairman Lucier stated a building would have to be paid for one way or another.

Col. Totten stated his question was whether or not the Board would be interested in another presentation.

Chairman Lucier stated he was not detecting a lot of enthusiasm from the Board.

LUNCH

Chairman Lucier called for a 45-minute lunch break.

RECONVENE

Chairman Lucier reconvened the meeting.

Ms. Paschal continued her presentation on new projects.

- Mobile Data terminals, equipment and software, to equip deputies and potentially other emergency responders with mobile data terminals and automatic vehicle locators. The locators would allow the closest vehicle to be dispatched to an emergency. Cost is \$182,035, with 911 funds proposed as funding.

Chairman Lucier asked what the 911 funds were. Ms. Paschal stated they were the telephone surcharge which were restricted to certain projects related to communications.

Commissioner Cross stated he believed it was a good plan.

Commissioner Thompson asked would only deputies use the new equipment and software, or would medical rescue personnel be included. Ms. Paschal stated it could apply to all emergency responders in the County, noting the plan was to purchase 45 mobile data terminals over a two-year period for the Sheriff's Office.

Commissioner Vanderbeck asked could they get any help through the Homeland Security funds. The County Manager stated it was possible, but there was no stream available at the present time.

- Replacement of Emergency Communications Equipment to comply with FCC mandate that all equipment be capable of operating at 12.5 KHZ or less; cost at \$888,993, with 911 proposed for funding.

Ms. Paschal stated that the FCC was increasing the number of frequencies available, and they had to have equipment that was capable of operating it at those frequencies, resulting in the need to replace current equipment.

Commissioner Vanderbeck stated the equipment they currently had that would be replaced should have some value to someone, and asked if they were going to try to sell it. He said another municipality would likely not be interested. Ms. McConnell stated that all radios operated on FCC frequencies, and although it was possible that the equipment was reusable, it was not likely.

- Satellite Backup for 911 system – purchase of equipment and software to equip the mobile EOC with a satellite backup for receiving 911 calls. Cost is \$220,000, with 911 funds proposed as funding.

Commissioner Cross stated there was adequate funding in the 911 fund and he believed they should use it.

Chairman Lucier stated so far that amounted to about \$1.6 million. Ms. Paschal stated that was correct.

Commissioner Vanderbeck stated this would tie in to the earlier discussion about what to do if a pandemic was a reality. Ms. Paschal stated they had actually lost the 911 system twice over the last year, so it was not an infrequent occurrence, and it was a real problem.

- Construction of a storage building for Emergency Services for use as a County receiving and distribution point and for the Sheriff's Office to use as a secure indoor facility for vehicle impoundment and other large items that were part of an investigation. Both departments would also store equipment in the building. Cost at \$486,864 funded with Fund Balance.

Chairman Lucier wondered if 6,000 square feet would be big enough. Ms. Paschal said that would be looked into.

Commissioner Cross stated they had 4 unmarked cars, a 4-wheeler and a trailer, a large boat, and other equipment. Ms. paschal stated all of that equipment would not be housed in this building.

Chairman Lucier stated that a 6,000 square foot building was a 75 foot by 75 foot square building.

- Landfill feasibility study – conduct the first phase of a multi-phase project to site a County-owned landfill. Cost at \$50,000; waste management fund balance proposed.

Ms. Paschal stated this was the first phase, and subsequent phases would be to find a location, purchase the land, and so forth.

Chairman Lucier stated as part of this, they were going to explore going in with one or two other counties. Ms. Paschal stated that was correct.

Chairman Lucier asked were they going to move that up to 2008. Ms. Paschal responded yes.

- Waste management collection center in the northeast quadrant of the County. This would hire a consultant to study options as well as what size facility they should consider. Cost at \$820,600; proposal is to raise solid waste fee between \$8 and \$10/year, contribute funds to capital reserve, and pay for construction out of capital reserve.

Commissioner Thompson asked if that fee was a standard fee across all areas o the County or did it depend on the district. Ms. Paschal stated it was standard unless you had no hauler; if you had no hauler the fee was \$115, if you had a hauler it was \$81.

Commissioner Thompson stated then the \$8 to \$10 a year would be County-wide. Ms. Paschal stated yes, but not within municipalities since that was not allowed. She noted that increase would be a permanent increase since those funds would be needed to operate the collection center.

Chairman Lucier agreed they needed to move ahead with that, since the current centers were bursting at the seams.

Ms. Paschal stated the next two projects were future projects where they did not have enough information to either schedule or fund, there was not enough justification, or there was not good cost data. She stated they were not yet recommended and were not included in the CIP.

- Park at Bells Landing – development of a “special use” recreational facility at Jordan Lake State Park, to include educational and walking trails, an entrance road, parking areas, entrance gate and gatehouse, signage, picnic shelter and tables, playground, restroom, park benches, and a nature center.

Ms. Paschal stated there was a morass of red tape to be gotten through to make this park a reality, and they were awaiting the Master Plan update and updated cost estimates.

Commissioner Cross asked was that the property they had leased from the Corp for \$1 to possibly put a water intake on. Ms. Paschal replied yes.

- Construct a 6,000 square foot, 200-seat auditorium on the campus of CCCC in Pittsboro. Cost at \$4.4 million; at least \$3.7 million needed from debt.

Ms. Paschal stated this was not recommended now or in the future, noting that staff did not believe the County should use debt capacity for this project. She said it was included to give the Board full information about all the requests that were submitted.

Chairman Lucier stated they would have additional auditoriums in the two new schools they were building.

Commissioner Cross stated he had thought the college was going to fund this.

Commissioner Thompson stated that Dr. Garrett had thought at one time there was a good chance they could get \$1 million from the State, but that did not work out.

Chairman Lucier asked was their agreement that they should not recommend this at this time. There was general agreement from the Board.

Commissioner Cross stated regarding waste, there was a new member on the Solid Waste Advisory Committee who had brought up the possibility of using the old landfill as a construction and demolition (C&D) landfill to create a source of revenue. He asked if that could be looked into. The County Manager agreed to do so, adding that the Solid Waste Advisory Committee would be making a presentation to the Board in January.

Commissioner Vanderbeck stated the Environmental Review Board and the Green Building Task Force had been pushing for that as well.

Chairman Lucier asked what their next step should be. Ms. Paschal stated ideally it would be to approve the CIP, but understood that they may want to digest the information. She stated the CIP would drive what they did with the operating budget, so it made sense to make decisions about the CIP before they got into the operating budget.

Chairman Lucier stated they had not taken formal votes, but believed Ms. Paschal had enough information to know what projects the Board was in favor of. He stated they had talked about some shifting, the most recent being moving the landfill feasibility study up to 2008, and they had also talked about moving the Northwood and North Chatham expansion and renovations up as soon as possible. Chairman Lucier said qualitatively they had not done anything other than what was recommended, but had changed the scheduling somewhat.

Chairman Lucier said moving up the schedule for Northwood and North Chatham may mean that the school system would have to come back to answer the question about moving the capacity up to 1,200, but that may take too long to determine. He said if that could be determined quickly then it could be considered.

Commissioner Cross stated they would have to have the information for the January 7, 2008 Board of Commissioners' meeting. He suggested that the staff put together a one-page summary of what the Board had decided to do today, and email it to the board for review, then the Board could vote on it on January 7th.

Chairman Lucier stated if the capacity was raised to 1,200 that would have some cost issues to be considered as far as expanding the core facility at Northwood. He stated the Board would have to have that information prior to the January 7th meeting. Col. Totten stated the school board did not have a meeting scheduled prior to that; they would be meeting to select an Interim Superintendent; he would bring that up at one of those meetings so that a special meeting could be scheduled; and, he did not believe it would be difficult to provide the information regarding the core facility since a lot of that cost estimating had already been done and could be updated.

Chairman Lucier stated for planning purposes, the schools should assume that the Board would do two things: to move the North Chatham cafeteria renovation up as fast as they could; and to move up the Northwood expansion up but did not yet know what the scope of that would be.

Commissioner Vanderbeck stated they still needed the school board to sort out the issue of the high school site and the wastewater issue, because that would potentially impact the CIP as well as the judicial facility. He asked when was the latest they could approve the CIP. Ms. Paschal stated it had to be approved prior to the consideration of the operating budget.

Commissioner Vanderbeck stated then there was some urgency to find solutions regarding the schools. He said there may be other numbers that needed to be plugged in, and that needed to be determined as quickly as possible. Commissioner Vanderbeck mentioned the issue with the affluent going to and from the Governor's Club, and the fact that Chatham County did not want to accept it back. He said that had to be resolved. Col. Totten stated they had agreed to take the waste and treat it, but had reserved the right to send it back to the high school. He said in the agreement that was signed by the Governor's Club, they said they would negotiate in good

faith, so it did not mean that the agreement would not be amended. Col Totten stated he had talked with them several times and they would not make the commitment to treat the waste and keep it on their own land.

Col Totten stated that Westfall, on the other hand, was a good alternative, and he would contact them today to see what could be done. He stated their two options were to treat it off site and to treat it on site, but they could not do either as it now stood without an environmental assessment, which they did not have.

Commissioner Vanderbeck stated he had asked for that six months ago.

Chairman Lucier stated there were many issues to consider that had to be decided sooner than later. He stated another option was to pipe it to the Governor's Club and hope they did not send it back once it was treated; another was to truck it a mile down the road to the northeast park and put it on the athletic fields there. Col. Totten stated that 10 acres was the number the engineer had said they needed to do that.

Chairman Lucier stated he would rather not do that.

Commissioner Vanderbeck stated it had been said at the meeting that it would be cost prohibitive.

Chairman Lucier stated the person who had said that was self-serving, so he placed no value on that statement. He stated they needed to find that out for themselves.

Ms. McConnell stated that the financing on some of the projects was slippery and tended to change frequently; if it was determined that Northwood was the only project they could do then they would likely go to a bank for financing. She asked the Board for permission to look into the least costly way to do that.

Chairman Lucier stated they had great trust in her ability to do that.

The County Manager stated the other issue the Board needed to think about was the size and timing of a bond issue, although that did not need to be done today.

Chairman Lucier stated if his figures were correct, that bond would need to be about \$34 million. Ms. Paschal stated the issue was really with the timing, noting that replacing the gyms was in 2010, and the northeast elementary school was not until 2013; they may want to wait in order to make a good case for the northeast elementary school, to prove that the projections were correct.

Chairman Lucier agreed that would be wise. He asked the staff to provide some advice on the timing; that is, when it would be most appropriate to go forward with a bond issue.

Commissioner Vanderbeck agreed the two issues would have to go forward in the same bond.

Chairman Lucier stated the issue would be when to put it up for a vote. Col. Totten stated they should be able to have some information on the northeast school in February, noting that a demographic study would be completed by then.

Chairman Lucier stated perhaps they could revisit the issue when that information was received from the study. He stated he believed staff could move forward with the information provided. Ms. Paschal stated then the Board did not need to see a revised CIP. Chairman Lucier stated he believed that was correct.

Bill Lowery, a citizen, stated that unless something had changed, there was a piece of land at the intersection of Poythress Road and Mann's Chapel Road that could possibly be used as a landfill. He stated it had failed to perk for the last 10 years, so it may be viable.

Chairman Lucier stated that would be a good site, noting it was about 1½ miles from the Mann's Chapel Road intersection with US Highway #15-501, across from Persimmon Hill and just below the archery club.

The County Manager stated he would be talking to the Board on January 7th regarding budget issues.

Commissioner Cross asked when the next property revaluation was scheduled. Ms. McConnell stated 2009 to be effective 2010.

ADJOURNMENT

The Chairman adjourned the Special Session at 1:11 PM.

George Lucier, Chairman

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners