

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
OCTOBER 20, 2008

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry Dunlap Building Classroom, 80 East Street, located in Pittsboro, North Carolina, at 1:30 PM on October 20, 2008.

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

The Work Session was called to order by the Chairman at 1:32 PM.

Work Session

1. Triangle J proposal for joint allocation request in support of Western Intake (Durham is looking for Chatham County to take the lead in this study since they have been financing the work up to this point.)
2. Comments on proposed NCDOT designated truck routes in Chatham County
3. Update on Cary Comprehensive Transportation Plan
4. Status of Cary stormwater modeling for joint planning area
5. Colvard Farms Water Agreement Extension Request
6. Broadband Discussion
7. Capital Improvements Plan Discussion

Chairman Lucier noted that County Manager, Charlie Horne, would not be attending today’s meeting, as his stepdaughter died tragically over the weekend. He asked that everyone keep Mr. Horne and his family in their thoughts, and noted that the memorial service would be held at 2:00 PM on Wednesday at the Smith and Buckner Funeral Home in Siler City.

CAPITAL IMPROVEMENTS PLAN

Chairman Lucier noted that this would be a presentation by their financial consultants.

Renee Paschal, Assistant County Manager, introduced Doug Carter and Andrew Carter with DEC, noting they had been working with them for several years and they had assisted in the development of the County’s Capital Improvements Plan. She said in light of what was happening in the debt market, they had wanted to update the Board on what implications that might have for their capital projects.

Doug Carter, DEC, stated they had appeared before the Board two years ago to talk about the financial model and how it impacted plans, as well as the money that was dedicated towards those plans. He said today they would go through those plans and describe some of the things that had happened since that last presentation, and believed it would lead into the discussion of the Capital Improvements Plan. Mr. Carter provided information on the current market, the County’s credit rating/bond insurance, the current anticipated level of Capital funding and dedicated revenues, timing, and future steps using a PowerPoint presentation:

Current Market Turmoil

- Housing foreclosures and effect on market
- Economic downturn
- Banking consolidation – enormous changes
 - Bank of America and Merrill Lynch
 - JP Morgan and Washington Mutual
 - Wells Fargo and Wachovia
 - Who’s Next??
- Federal Rescue and Its Role in the Market
 - Tax-exempt markets in flux
 - Private placement markets are restricted
 - Other markets exist but none operate in a way that would provide resources to the County

Your Credit Rating and the Role of Bond Insurance Update

- County’s Current Ratings from Moody’s and S&P
 - General Obligation: A1, AA-
 - COPs: A2, A+
- Insurance played an important role in enhancing your COPs
- The majority of insurers have been downgraded due to investment in housing troubles and the “Enhancement” value has been lost at the moment
- Chatham County Series 2006 COPs traded with Ambac Assurance Corp. Insurance with a Triple-A Rating.
 - Ambac now rated AA with a negative outlook
- Maintaining/Upgrading your rating is essential
 - Strong financial management a must
 - Sound management within budget policy
 - Long-term planning will set the benchmarks and provide the path to accomplishment

Current Anticipated Level of Capital Funding and Dedicated Revenues

- Dedicated Revenues
 - Property tax in model 08/09
 - 1 cent = \$728,665
 - 5 cents dedicated
 - Impact fees/lottery money in model 08/09
 - Current estimate \$2,482,223
 - Current estimate lower by \$1.5 million due to adjustments for State-wide lottery collections and adjustments to impact fee projections by the County

Anticipated total level of capital funding over next five years, FY 2009-13

Current Model

COPs	\$149,395,000*
Private Placement	<u>\$ 10,000,000</u>
Total Outstanding	\$159,395,000 (less the \$35.4 million already sold)
Max. Debt Service 2017:	\$ 13,487,000

*Note: Includes 2006 Issuance of \$35,395,000

Planned Issuance

December 2008	Northwood Updates and Purchase of the Performance Building	\$10,000,000 (PP)
April 2009 (11/08)	Chatham Community Library	\$ 9,000,000
	Pittsboro CCCC Campus	\$ 5,000,000
	Siler City CCCC Campus	\$ 4,500,000
	Briar Chapel Middle School	<u>\$27,000,000</u>
	Total:	\$45,500,000 (COPs)

January 2010 (moved from 11/08) Judicial Facility \$24,000,000 (COPs)

January 2012 (moved from 1/10) New High School \$44,500,000 (COPs)

Financial model under current assumptions will fund the planned issuance

Timing

- Rates in the market are at historic highs as investors hold onto their cash
- Placing COPs without enhancement is a relative unknown in current markets
- Need time for markets to stabilize, mergers to be completed, and some settlement to the liquidity crisis – timing uncertain. His personal view - six months or so before relative stability in markets achieved; if not, would have to think about what happens next
- Adopt issuance schedule to permit planning to proceed to secure financing and obtain building contracts

Chairman Lucier asked was there anything magical about the group of four projects in terms of could they theoretically get funding for one but not the other three. Mr. Carter replied presumably, yes, but it would depend on how the markets were at that time. He stated if the County wanted to take a smaller project and get it done, there may be private placement money available; if there was not and the public markets had not yet recovered, then that would be an issue.

Chairman Lucier stated for the Library and the Pittsboro Central Carolina Community College (CCCC) Campus, they would have to rebid. Ms. Paschal replied that if the market had not recovered within 60 to 90 days, then those projects would have to be rebid as the current bids would expire.

Mr. Carter stated it was possible that the market would improve, but did not want anyone to get their hopes up.

Chairman Lucier stated then it was important for the Board to communicate to Mr. Carter as to what their priorities were in terms of where to place any monies that became available. Mr. Carter replied that was correct.

Sally Kost asked if Mr. Carter had copies of the updated financial model available. Mr. Carter replied yes, and he would leave them for those interested.

Chairman Lucier stated the presentation was very helpful, and the Board would systematically go through the projects, decide what they could and could not do, and in some cases the order in which projects might be done. He suggested that Mr. Carter could perhaps listen to that discussion and advise the Board if he felt they were doing something unwise.

Chairman Lucier noted that Mr. Logan, the Superintendent of Schools, was present and obviously had a huge stake in what was now being discussed. Mr. Logan agreed.

Ms. Paschal handed out a grid of the projects that had previously been emailed to the Board members. She stated she wanted the Board to discuss their next steps by reviewing the capital improvements plan, noting they needed to act on the current projects which were the middle school, the classroom buildings, and the library; that if they were going to be delayed then they needed to stop all bidding and all contracts for those projects. Ms. Paschal stated they were not recommending delays for projects for which substantial work was completed, or if they had already done a contract to purchase or a contract to construct.

Business Park

- Almost complete
- \$8,200,000
- COPs, financing already obtained
- Complete as planned

Chairman Lucier asked what was left of that was a bill of \$650,000. Finance Officer Vicki McConnell replied that was correct, and they did not have that much.

Ms. Paschal stated there was also the additional work on Austin Bridge Road that had to be completed.

Chairman Lucier stated then what was really left was close to \$1 million. David Hughes, Public Works Director, stated that because the contract was a unit price contract, there were a number of items that were under the projected bid amount as well as items that were over; and, that if you added those up the additional cost was about \$400,000, which included the work on Austin Bridge Road.

Chairman Lucier asked if everyone was happy with that. By consensus, the Board agreed. Ms. Paschal continued her PowerPoint presentation:

CCCC – Siler City

- Design contract awarded; expect to bid construction contract in mid November
- \$5,558,750
- COPs, financing not obtained
- Delay until credit market improves
- Cost escalation estimated at 0.5%/month

Commissioner Vanderbeck stated it seemed that this project was a part of the Base Realignment (BRAC) issue, and asked was there a possibility for getting any help from that avenue. Ms. Paschal stated they could ask. She stated that capital grants were not easy to come by, so it was not something they could count on but was definitely something they could pursue. Commissioner Vanderbeck stated it was an integral part of the training program, and hopefully that argument would help their case. Ms. Paschal agreed to check into that.

Chairman Lucier asked would Ms. Paschal prefer that she go through the projects and then discuss them, or take them one at a time. Ms. Paschal stated it was the Board's choice. Chairman Lucier asked for any additional comments on this project and if there was any disagreement with delay it as suggested.

Commissioner Barnes stated that regarding the cost escalation, he believed that was reasonable and it may come down, but that had not yet happened. He stated that the cost of stone was rising, as was the cost of concrete and steel, although not radically. Ms. Paschal continued:

Detention Facility Feasibility Study

- Feasibility contract awarded; study almost complete
- \$75,000
- Fund balance - funds appropriated
- Complete Feasibility Study as planned

Chairman Lucier stated that in six or seven weeks, they would be coming back and looking at these again as part of the annual plan of the Capital Improvements Plan, but some decisions needed to be made today. Ms. Paschal stated that was correct. She continued her presentation:

Judicial Facility

- Architect contract awarded; expect to bid in January or February
- \$23,906,000
- COPs, financing not obtained
- Delay until 2010 (because of effect on debt model)
- Cost escalation estimated at 0.5%/month

Law Enforcement Site Improvements

- Design contract awarded; expect to bid in December
- \$560,958
- Fund balance - funds have not yet been appropriated
- Delay, revisit in FY 2010
- Cost escalation estimated at 0.5%/month

Commissioner Vanderbeck stated that worked for him. Ms. Paschal continued:

Library – Hardware and Software for an Automation System

- Underway
- \$23,095
- Fund balance - funds appropriated
- Complete as planned

Library/Classroom Building

- All contracts, but construction awarded; construction bids received; Barnhill holding for 30 to 60 days
- \$12,741,696
- COPs, financing not obtained
- Delay until credit market improves
- Cost escalation estimated at 0.5%/month; estimated cost of \$30,000 to rebid

Chairman Lucier asked if everyone was comfortable delaying the library/classroom building, noting that he believed everyone wanted to move forward with that project but now was not the time.

Commissioner Barnes stated he did not like it, but did agree it should be delayed. Ms. Paschal continued:

Mobile Data Terminals Equipment and Software

- On hold (pending outcome of contract)
- \$127,345
- 911 funds
- Complete as planned
- Software quote only good for 180 days

Chairman Lucier asked was everyone comfortable with that. Commissioner Thompson responded he was. Ms. Paschal continued:

Northeast Park

- PARTF grant received; design contract not yet awarded; have 3 years to spend grant and can ask for extensions, but must "show progress" (have construction bids in hand) after 1 year
- \$2,913,314
- PARTF, CWMFT grants and property tax increase
- Complete as planned, unless State grants exception

Chairman Lucier stated that the \$2.9 million included the land, which was \$1.4 million and paid for out of the Parks and Recreation Exaction fees, not the General Fund; that they had \$718,000 in grants, so up to \$2.1+ million would be paid out of property taxes; and, that what was left was the \$800,000 the County would be responsible for paying.

Commissioner Barnes asked what was the \$500,000. Chairman Lucier replied that it was a PARTF grant. Commissioner Barnes asked was that in addition to the \$1.4 million. Chairman Lucier responded yes, noting that the \$218,000 CWMFT grant was also in addition, so they had \$718,000 in grants on top of the \$1.4 million from Exaction fees, so the \$2.9 million figure was really an \$800,000 figure. Ms. Paschal stated it would take two years to accumulate that money, but believed they should move forward with the project.

Chairman Lucier stated they had appropriated \$500,000 this year in the Capital Fund Reserve, so that would leave \$300,000 to appropriate next year. Ms. Paschal agreed. Chairman Lucier stated he believed they should move forward with this project as planned.

Commissioner Barnes stated they would likely lose much more if they did not proceed. Ms. Paschal stated what was "out of pocket" was the planning expense, and if next year they decided to pay for the engineering out of pocket, the contract had not yet been let so the Board could make a different decision next year. Commissioner Barnes asked could Ms. Paschal estimate the engineering fee. Ms. Paschal estimated perhaps \$200,000 to \$250,000.

Commissioner Thompson stated just to be clear, \$500,000 had been set aside this year, and the \$300,000 would still be left to pay. Ms. Paschal replied yes, and that \$300,000 would be set aside in the next fiscal year.

Chairman Lucier stated it would not have much impact on the budget, in that there would be no impact this year and a \$300,000 impact next year. Ms. Paschal stated that was already built into the budget. Chairman Lucier said it just made sense to move forward with that project for a number of reasons. Ms. Paschal continued:

Replacement of Emergency Communications Equipment

- Not started
- \$72,100
- 911 funds - funds appropriated
- Complete as planned

Satellite Backup for 911

- Not started
- \$220,000
- 911 funds - funds not appropriated
- Complete as planned

Schools – Asbestos Floor Tile Replacement

- Let contracts
- \$130,000
- Fund balance - funds appropriated
- Complete as planned

Schools – Bleacher Replacement

- Northwood complete; Moncure ordered
- \$125,000
- Fund balance - funds appropriated
- Complete as planned

Commissioner Vanderbeck stated that replacement of the bleachers was necessary for safety reasons. David Moody, School Administration, stated that was correct. Ms. Paschal continued:

Schools –Camera Systems

- Bids awarded; three schools complete
- \$274,566
- Fund balance - funds appropriated
- Complete as planned

Schools – Expansion of North Chatham Cafeteria

- Construction contract awarded
- \$397,000
- Fund balance - funds appropriated
- Complete as planned

Schools – New High School

- Contract with architect awarded
- \$44,500,000
- COPs, financing not obtained
- Delay until 2012
- According to the most recent ORED update, the Northwood core expansion should be sufficient until approximately 2018
- Cost escalation estimated at 0.5%/month

Chairman Lucier stated that the renovations expansion being done now would get capacity up to about 1,000. Mr. Moody stated it would bring it up to 990. Chairman Lucier stated what they had done with the cafeteria was to get the core up to 1,200. Mr. Moody stated that was correct. Chairman Lucier stated he did not know the School's feeling, but he put no faith in the ORED prediction.

Robert Logan, Chatham County Schools Superintendent, stated the fluctuation in the housing market made it difficult to predict how soon the schools would fill.

Chairman Lucier stated there was some uncertainty in the ORED predictions, and in his experience those predictions mostly proved to be wrong. He stated the project was proposed to be delayed for two years, adding he would be "absolutely shocked" if Northwood did not reach capacity until 2018.

Mr. Moody stated that in the first estimates, ORED in 2005 had put Northwood at 1,400+, but agreed that those figures would not hold until 2018.

Chairman Lucier stated the County had 12,000 homes approved but not yet built, and if credit markets improved there would be a burst of housing activity. He stated what would be important for Northwood was to go ahead and do the environmental assessment now so that it was in hand when they decided to move forward with the new school.

Mr. Logan stated they had completed the survey of the site and the environmental assessment was underway. He stated that would put them that much further along when the market improved. Mr. Logan stated they had agreed that with the Phase 2 renovations at Northwood, they would have enough capacity to accommodate students for a couple more years, so delaying from 2011 to 2012 should not be a major problem for Northwood or the new high school; however, they did have some costs already involved in the northeast high school project, and wanted to make the Commissioners aware that the architects expected to be paid once a figure was determined in the next week or so.

Ms. Kost stated for clarification, when they said the project would be delayed until 2012, did that refer to the opening date. Ms. Paschal replied no, that was the bid date. Ms. Kost said then they were talking about postponing it for four years. Ms. Paschal replied no, just two years.

Chairman Lucier stated they currently were going to bid it in 2010 with completion in 2011, but if they bid it in 2012 it would open in 2013, so the delay was only 2 years. Randy Drumheller, School Administration, stated they had planned to bid it in October of 2009. Ms. Paschal stated the County had it scheduled to be bid in January of 2010.

Chairman Lucier stated that was now being moved to January of 2012. Ms. Paschal stated when they bid and when they went to the credit market would be determined by the current market situation. She stated if they only delayed a year, then the planning needed to continue, so that was the issue; and, that the planning was a substantial cost of about \$2 million which was another reason to delay the additional year.

Chairman Lucier stated he gathered that the school administration was not comfortable with that, but recognized the need for the delay. Mr. Logan stated they could accommodate that and make it work.

Mr. Carter stated that because this was the largest single project in the whole list, if it were not delayed two years but only one, they would have to make adjustments in the rest of the model and push out the other projects further, or, the County would have to add additional funds to the capital model to make it work. He stated that part of when it came into play was so that the overall finances of the capital model would work, so it was fortuitous that it could work within the planning cycle as well.

Mr. Drumheller asked, for clarity, should they move forward and complete the environmental assessment. Chairman Lucier responded yes.

Commissioner Barnes asked about the timbering. Chairman Lucier stated perhaps the environmental assessment would guide them on that, but his feeling would be not to cut it. Commissioner Barnes stated if they did cut it, they may as well give it away.

Mr. Drumheller stated it did not have to be done now if the project was delayed.

Mr. Logan stated the deed did not say when they had to do the timbering; that if they timbered now and there was a two year delay in actually starting any construction work, that left the site in the position to have environmental issues.

Chairman Lucier stated he would not want to have to mitigate any stormwater issues because of the additional cost. Ms. Paschal agreed.

Mr. Drumheller stated then the timbering should be delayed at least until the environmental assessment was completed. Ms. Paschal continued:

Schools – New Middle School

- Early site package has been bid (approximately \$900,000); awaiting deed from Briar Chapel to proceed; remaining project planned to bid in spring 2009
- \$26,126,000
- COPs, financing not obtained
- Delay until credit market improves
- Losing \$90,000 in architect fees to expedite project (to carve out early site work); delayed opening (depending on how long delayed); will need to add 2 modulars at North Chatham

Ms. Paschal asked how long would the bid be held. Mr. Drumheller stated they were willing to hold the bid for three or four months, although no date was given. He stated as far as the site package went, it did get seeded and part of the contract was that they maintain erosion control until construction began. Ms. Paschal stated then he was saying they would not have stormwater or erosion issues. Mr. Drumheller stated that was correct.

Commissioner Barnes stated if the contractor had agreed to maintain erosion control and the project was delayed for two to three years, he did not believe they could enforce that part of the contract without additional payment. Mr. Drumheller stated it was a unit price contract, so some payment would need to be made. Commissioner Barnes stated then they would have that to pay if the project was delayed. Mr. Drumheller stated that was correct, and Ms. Paschal agreed.

Ms. Paschal stated they had held discussions with the schools that if it looked favorable early in the year and they thought they would be able to acquire the money in the spring, then they could go ahead and award the site contract at that point; so, that would take a lot of communication.

Chairman Lucier agreed that of all the projects listed, that one would be the most critical but also the most expensive of the second group of projects; but, asked if the Commissioners agreed that they would want to move as quickly as the credit market permitted.

Commissioner Barnes agreed, and Commissioner Vanderbeck stated he believed they would have to. Commissioner Barnes stated that he also believed they all agreed it should be delayed now.

Chairman Lucier stated as far as projects that would move forward, that one would go to the top. Ms. Paschal agreed. Chairman Lucier asked if that seemed reasonable from the schools perspective. Mr. Carter responded yes, it did. He stated that their debt models had the COPs being issues at 5.25%, and if they had been able to do this in the markets just four or five weeks ago, they would have been able to sell them at around 4.75%, but now the number was around 6%. Mr. Carter stated the real issue would be that if they got within the model, was that the time to strike; or, do they wait to see if the market comes closer to where they were. He stated they had not planned at the higher number, so that would have to be thought through as to when to move when the market recovered sufficiently.

Chairman Lucier stated then if they got back to around the mid to low 5%, then that was something they might want to consider. Mr. Carter stated that would put them back into their model; that the issue for the future, however, was that even if the percentage were to go lower once the County issued the COPs, they would not be able to refinance the first ten years' worth of maturities. He stated they would continue to watch the market and alert the County at the appropriate time.

Ms. Kost stated that when they had the issue of the mobile units that were too close to the road, she had been told that North Chatham did not have room for two additional mobile units, and asked where they would go.

Commissioner Vanderbeck stated there was another issue, and that was did they want those units or did they want to give themselves extra insurance of having capacity in middle schools by considering redistricting and taking advantage of the vacancies in Horton; that redistricting would help them all save money; and, to the taxpayers it showed that they were using space more wisely. He stated that some parents would have issues with busing and the extra time that involved; or, did they want to place students in modular units. He stated when it came down to costs and the struggle to acquire capital to move forward with projects, everyone had to take ownership in the process. Commissioner Vanderbeck strongly recommended that Ms. Kost and the School Board really think about redistricting, and then perhaps they would not have to deal with any additional modular units at North Chatham. Mr. Logan remarked "that was a thought."

Chairman Lucier asked how many modulars were there now. Mr. Moody responded nineteen. Chairman Lucier stated the point was a good one, but they still needed to move ahead to build schools as quickly as possible.

Commissioner Vanderbeck agreed.

Mr. Moody stated he had talked with a parent last year whose son had been in three schools in three years, so that was something that needed to be considered as far as the impact on individual students.

Ms. Paschal stated they were losing \$90,000 in architect fees if they paid to expedite the site work.

Chairman Lucier stated he did not believe they had a choice. Ms. Paschal agreed.

Mr. Drumheller stated when Ms. Paschal said "put it on hold," the construction documents were due to be completed by the architect in February. Ms. Paschal stated the architect could continue working, but the project should not be bid until they were notified by the County.

Chairman Lucier stated what they were saying was to do everything you would normally do to get to the point of bidding, just don't bid. Ms. Paschal continued:

Schools – Northwood Expansion

- Phase 1 complete; Phase 2 expected to bid this week
- \$5,500,000
- COPs (or private placement), financing not obtained
- Complete as planned
- Expansion of Northwood (to core of 1,200) should mitigate delayed opening of new high school (current enrollment is 1,003)

Ms. Paschal stated the architect had been asked to go ahead and expedite those bids because Mr. Carter had advised them that the sooner they could get on the market the better.

Mr. Drumheller stated the bids were due on Wednesday for Phase 2, adding that Phase 1 was already complete.

Mr. Carter stated then private placement would work well; that right now they would likely be approved by the Local Government Commission in December and they could borrow the funds shortly thereafter.

Mr. Drumheller stated in order for the sequencing to work and to have a construction crew on site on time, they really needed to start January 1.

Mr. Carter stated he believed that would work.

Chairman Lucier stated then the project would be completed in August of 2009 and ready for the start of the school year. Ms. Paschal continued:

Schools – Renovate High School Science Labs

- No contracts awarded; work planned for summer of 2009

- \$152,400
- Fund balance - funds appropriated
- Delay until FY 2010
- Should have no impact since project planned for summer 2009

Chairman Lucier stated then the delay would be only for a short period. Ms. Paschal stated there should not be a delay at all, but they would have to have some good indication that they could prorate the money. Chairman Lucier stated this was for all three high schools. Ms. Paschal stated that was correct. She continued her presentation:

Schools – Renovate Restrooms and Add Hot Water

- No contracts awarded (much of the work being done in-house)
- \$209,000
- Fund balance - funds appropriated
- Complete as planned

Schools - Renovate Wastewater System at JS Waters

- Planning contract awarded; construction planned for FY 2010
- \$25,000
- Fund balance - funds appropriated
- Complete as planned

Social Services

- Almost complete
- \$5,800,000
- COPs, financing already obtained
- Complete as planned

Waste Management – Landfill Feasibility Study

- Study complete
- \$50,000
- Fund balance - funds appropriated
- Complete as planned

Ms. Paschal stated it would be helpful for the Board to approve the recommendations so that everyone had clear direction on how to proceed.

Commissioner Vanderbeck moved, seconded by Commissioner Barnes, to approve the Capital Improvements Plan recommendations. The motion carried five (5) to zero (0).

BREAK

The Chairman called for a short break.

NORTHWOOD HIGH SCHOOL PROJECT

Commissioner Barnes moved, seconded by Commissioner Vanderbeck, to approve the **Chatham County, North Carolina Declaration #2008-57 of Official Intent to Reimburse Northwood High School**, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

REVALUATION

Chairman Lucier stated that Tina Stone, Chatham County Tax Administrator, Ms. McConnell and Ms. Paschal had put together a summary of the pros and cons of postponing the revaluation.

Ms. Paschal, using a PowerPoint presentation, provided some background on revaluation:

Background

- ▶ Revaluation is perceived as the County increasing the property tax burden (since real property taxpayers usually see increases in their property values)

- ▶ In reality, revaluation is a redistribution of the property tax burden (public utilities, motor vehicles, and business personal pay 100% of market value each year); with revaluation, the real property tax base is adjusted back to 100% (currently 88.63%)
- ▶ The County is required to publish the “revenue-neutral” tax rate, the rate that would generate the same revenue without revaluation

Ms. Stone provided a summary of the pros and cons of delaying the revaluation:

Pros of Delaying

- ▶ Market values have been determined using sales from 2005 through 2008, so values could be higher than current market conditions (MLS data doesn't show this yet)
- ▶ Considering 2009 sales could make the market value more accurate
- ▶ The current economy and market conditions will likely lead to a greater number of appeals
- ▶ Appeals combined with implementation of the circuit breaker next year will make estimating the “revenue neutral” rate challenging and difficult to explain
- ▶ The perception of revaluation is negative and could be worse in a down economy

Ms. Paschal stated it was a perception issue, because people were seeing such things as their 401(k) accounts decreasing and if they saw the market value of their homes had increased 10% to 15%, then that was a psychological issue. She stated another issue was how they would estimate or explain “revenue neutral” next year with the circuit breaker going into effect. Ms. Paschal stated they would be making many assumptions to get to the revenue neutral rate; that it would be very difficult to explain so that it was understood; and, the circuit breaker added some complexity to the psychological issue.

Ms. Stone continued her presentation:

Cons of Delaying

- ▶ Those experiencing a reduction in market value will not be able to appeal in 2009 based on economic conditions
- ▶ It will cost approximately \$150,000 in staff time and contract work for sales analyses, new schedule of values, and commercial values
- ▶ It will cost an estimated \$5,000 to \$20,000 for software programming
- ▶ The County will lose \$171,406 (at current tax rate) in public utilities revenues
- ▶ It will require additional staff time for rekeying all 2008 data (if programming doesn't work)

Chairman Lucier said regarding the loss in public utilities revenues, he did not understand how that worked. Ms. Stone explained that utilities were taxed based on their ratio of sales and where they were in market value, so during revaluation you brought that up to 100% of market. Chairman Lucier asked how sales ratio was defined. Ms. Stone stated they studied all sales that came through the County, and that was sent annually to the Department of Revenue and the sales were qualified as to whether they included personal property, whether they were foreclosure sales, and the like. She said the Department of Revenue compiled all of that information to see where they were at market value, so anytime they fell below 90% of market the public utilities did not pay as much. Ms. Stone stated that the State actually revalued the utility company every year.

Chairman Lucier stated that meant that counties that took eight years to evaluate actually lost money. Ms. Stone stated it was weighted out and adjusted. Chairman Lucier stated if they delayed for eight years they would lose even more. Ms. Paschal stated they would lose year five and year seven.

Ms. Kost asked if municipalities had public utility revenues, because that could have an impact on them as well. Ms. Stone stated they did, so towns would be impacted by this.

Commissioner Thompson asked if she had any idea how much the impact would be. Ms. Stone stated they projected it would be a little over 11%.

Commissioner Vanderbeck stated here and in the Triangle area if values increased significantly, then they would stand to lose more significantly, because it was based on the current rate. Ms. Paschal stated the sales assessment ratio was a comparison of what their tax

value was versus what a piece of property sold at. She said if it sold at 120% of its tax value, then that was where the sales assessment ratio came in. Ms. Paschal stated in 2008 the sales assessment ratio was 88.63%, and that times the value of the utility property was what would be lost, and it was almost an absolute.

Chairman Lucier asked what would happen if that changed in the next fiscal year; that is, if they delayed what would be the impact in the next fiscal year if the sales ratio became higher than 90% because of a decrease in housing values. Ms. Stone stated once they lost that, it would stay lost until the next revaluation.

Chairman Lucier stated one of the questions was the \$150,000 in staff time and contract work, and asked how much of that was staff time, how much was contract work, and would they need to hire additional personnel. Ms. McConnell stated they would not need to hire additional staff, but it would include some contract work with their current contractor. Chairman Lucier stated then the only additional cost would be for the contractor if no additional staff was hired. Ms. McConnell stated that was correct.

Chairman Lucier stated then that \$150,000 estimate was likely too high. Ms. Stone stated unless you had to pay overtime.

Commissioner Vanderbeck stated he understood that the staff had worked a lot of overtime getting ready for this. Ms. Stone agreed the staff had worked a lot of weekends and holidays.

Chairman Lucier asked how much was paid in overtime. Ms. Stone stated she did not have that amount now, but would supply it to the Board.

Commissioner Thompson stated then they actually did pay overtime. Ms. Stone replied yes, but did not believe it was excessive.

Ms. Paschal asked what had been spent on contract work during the current year. Ms. Stone stated about \$400,000. Ms. Paschal asked then would it be a fourth of that. Ms. Stone stated the contract work was around \$146,000 to do the first phase of the sales analyses. She then provided a summary of the next steps:

Next Steps

- ▶ If going forward, approve Schedule of Values no later than November 3
- ▶ If delaying, need to adopt a Resolution to Delay Revaluation (staff would prepare for adoption on November 3)

Commissioner Vanderbeck stated from his point of view, from the anecdotal information staff seemed to support going through with this; that at the last meeting the Board may have acted hastily and should have spent more time on it; that he was willing to rescind the decision and rather than reverse policy that was in place in doing this every four years, to keep it that way, especially since it appeared the majority of the staff would go along with the revaluation; and so, he would be happy to rescind the Board's motion and to adopt the proposed Schedule of Values. He stated if they wanted to revisit this when more information was gathered and then rescind it, then at least it would be after a more thorough review, but for now they could move forward.

Chairman Lucier asked for a staff recommendation, noting the only one he had seen was the one received previously to recommending delay. Ms. Paschal stated that was the recommendation from the County Manager.

Commissioner Thompson stated he was inclined to agree with Commissioner Vanderbeck, but the last time they had debated this issue they had looked at a figure of \$150,000 in terms of loss; today they were looking at \$321,000, not including the reprogramming figure. He stated that was a more significant figure, and coupled with the fact that when the decision to delay was made they were not aware that the towns would suffer, he believed it may be prudent to rescind the decision. He stated it seemed to him that it would best serve the Board's interests and the interests of taxpayers to move forward with the revaluation as opposed to delaying it.

Commissioner Barnes asked was it the staff's recommendation today to put the revaluation off one year, or to move forward with it. Ms. Paschal stated she did not feel

comfortable responding to that, noting the County Manager had recommended at the last meeting that the Board delay the revaluation. She said they were asked today to come before the Board with the facts about that decision.

Commissioner Cross stated he believed they should stay with the decision to delay the revaluation for one year.

Commissioner Thompson stated they should discuss the benefits of delaying to be concise. Ms. Stone stated they would be able to recognize sales that occurred during 2009; however, they would have to look at the number of sales which would be hard to predict, so the benefit could not be known. Commissioner Thompson stated that those sales would give them a better picture of what those values were like given the current market conditions as opposed to where those values were now. Ms. Stone said it may or may not. Commissioner Thompson said then there may be no benefit at all. Ms. Stone replied that was correct.

Commissioner Barnes stated if they postponed for a year, they would be closer to the actual reality as far as real estate values. Ms. Stone stated as far as analyzing sales, yes, but whether or not those sales would make any difference could not be known.

Commissioner Thompson stated if they delayed revaluation, what effect would that have in terms of going into another four-year cycle. Ms. Stone stated they would have to make a decision to continue on the same cycle and continue with the next revaluation which would be 2013, or did they actually want to change the cycle and do the next revaluation in 2010 and then again in 2015. Commissioner Thompson stated if they did not change the cycle, what would be the financial implications. Ms. Stone stated in starting a revaluation process, they started about 1½ to 2 years before by gathering data, so once they completed appeals for 2010 they would immediately start the next revaluation. Commissioner Thompson stated then they would actually start that process in 2011. Ms. Stone responded the first phase of it, yes. Commissioner Thompson stated they were talking about expending roughly another \$500,000. Ms. Stone stated by 2013, yes.

Chairman Lucier stated that would be pushed back one year, adding that he was struggling with this because he understood the arguments on both sides of the issue but he had little doubt in terms of the benefits. Chairman Lucier stated they were in a position of real estate volatility, so by far the most likely chance was that the housing market would be more stable and revaluation values would be more accurate. He said as a result they would have far more appeals because people would be looking at what their property had been valued in recent years. Chairman Lucier said on the other hand, there were some costs associated with delaying that were not trivial as Commissioner Thompson had pointed out, which had at least doubled. Yet, he said, he believed it would be a fairer thing for people having their properties revalued.

Chairman Lucier stated another option would be to wait until November 3rd to decide when County Manager Horne was present, in that he could more clearly provide his point of view in recommending the delay. Ms. Paschal agreed that would be a good idea.

Commissioner Barnes stated he would like to have Ms. Kost's opinion. Ms. Kost stated she had written a memo to the Board which stated she did not like the fact that they were delaying the revaluation because revaluation was an issue of fairness, and the only value she could see in delaying it was the number of appeals. She stated the cost of delaying was also significant, almost a half penny on the tax rate. Ms. Kost stated as they had struggled tonight with how to pay for schools and improvements, she had wondered just what the advantage was. She said for some people taxes would go up, but for others it would go down, and it was likely the people who least could afford it would see some relief. Ms. Kost stated it was her opinion that the Board should move forward with the revaluation as scheduled.

Chairman Lucier asked if the Board wanted to wait until November 3rd to make a decision. Ms. Paschal stated that would be her recommendation, but the decision would have to be made at that time in order to stay on schedule with programming.

Commissioner Vanderbeck stated he was in favor of waiting until November 3rd and then act decisively.

Chairman Lucier stated it appeared to be the consensus of the Board to delay a decision to rescind the revaluation until the November 3' 2008 Board of Commissioners' meeting.

BROADBAND DISCUSSION

Robby Walston, Embarq Network Planner, stated it was his job to plan the infrastructure and to do the estimating, pricing, and development of multi-year strategies of how to deploy services given the networks in the area they covered. He stated there had been a lot of interest in what Embarq was doing to deploy and expand the high speed network in Chatham County, and that was why he was appearing tonight before the Board. Mr. Walston provided the following information:

High Speed Internet/Broadband Services in General

- First deployed high speed internet services around 2001, then began to expand out to larger switch locations
- Not a lot of small site deployment at that time, but quickly moved up by the end of 2006
- Four switch locations/exchanges – Pittsboro, Siler City, Bonlee, and Goldston
- From 2001 to 2006 had expanded out in addition to the four central switch sites to 18 other locations
- Greater and greater demand for service growing exponentially
- In 2007, adopted an aggressive plan and added 8 more sites, so they were now up to 26 sites
- By the end of 2008, they would have added 12 more sites creating a much larger footprint of service
- Many sites served by fiber optic cable which provided high speed service

Commissioner Thompson, referring to the map, asked about the areas in white and if those areas had coverage now. Mr. Walston stated the white areas with triangles did not have high speed data primarily because they were still on copper spanlines back to the central office in each respective exchange. He stated as well, many of those areas were very rural with a small number of potential customers, so it would be very expensive to provide high speed service.

Commissioner Vanderbeck stated he believed the County had contacted the ENC over the last year or so regarding funding to no avail, and he understood the future ENC budget would be slashed. He stated it was a critical thing for them as they were trying to build small businesses and to get people who lived here and went away to school to come back here, and if there was no Internet then they would not come. So, he said, it was all connected, and it would be a great investment in the County's future. Mr. Walston stated with the impact they had already made with the current footprint as well as the expansion that would be completed by year-end, they would be reaching out and touching almost 78% of their Embarq customer base in the four exchanges, which was incredible. He stated that there were some areas that they just could not reach.

Mr. Walston said when all was said and done, they had 53 switch sites, and of those 53 four were central office sites and 38 were deployed with high speed internet access.

Commissioner Cross asked what the red area was on the map. Mr. Walston responded it was an entirely new switch that would have DSL only. He then continued with his presentation:

Metro Ethernet/Next Evolutionary Step for Businesses

- High speed internet for businesses who wanted ultra-high speeds for data transmission
- 20+ sites have that level of high speed broadband pipe available to them, including schools
- About 12 additional customers have ordered the service, including UNC Health Care, the Courthouse, and doctors offices
- Fiber optic cable was required to provide that service

Background Fiber Network Existing in the County

- Explained fiber transport pipes currently in the four exchanges
- Most had been placed in the last six to seven years
- Most were large fiber pipes

- Network was built into the Business Park, making it a simple procedure to hook up the new hospital
- Much fiber located in The Preserve

Fiber to the Prim

- Embarq made decision to provide fiber service to all areas with 50 lots or greater in new residential developments
- That commitment required that Embarq looked at the development, how quickly homes were being built, the build-out rate, and any competition; then a decision was made as to whether they would move forward post-haste, or go back to the developer to judge interest in providing assistance

Mr. Walston stated that they knew economics would affect the company's decisions somewhat, but they were ready to provide service where needed and where it made the most sense. He stated he knew that many of the Board had received phone calls and other communications regarding internet service and high speed access, and he wanted them to know that Embarq was working hard to serve as many as possible, and plans were in process to install more fiber as they could affordably do so.

Chairman Lucier asked what the Board could do to help get service to as many residents and businesses in the County as possible. He stated they appreciated the aggressiveness with which Embarq and Mr. Walston had worked within the County, and wondered if there was anything more they could do to boost those efforts. Mr. Walston stated that the ENC was one avenue they had that might still provide some funding, and any time they were interested enough in a specific area about providing service, he would be happy to pass that information on to the regulatory branch so that it could be addressed directly.

Commissioner Thompson stated if a year from now he had questions regarding Embarq's plans for expansion, who he would contact. Mr. Walston stated he would be the person to contact, and left business cards for the Commissioners.

Commissioner Vanderbeck asked Mr. Walston to electronically provide the presentation he had made tonight to the Board, as well as any summary information he would like to add. Mr. Walston agreed to do so.

CARY TRANSPORTATION PLAN UPDATE - STORMWATER MODELING STATUS

Tim Bailey, Director of Engineering for the Town of Cary, stated he would provide an update on the stormwater study that was looking at a combination of the Joint Land Use Plan and the County Commissioner's plan and make a comparison of the two from a stormwater quality standpoint. He stated the draft plan had been submitted to them and had some significant things left out, one of the biggest was that both plans had a commercial node at NC 751 but that had been left out of the plan. He stated a new draft had been received on Friday, and hopefully it would need only minor edits and could then be shared with the County Commissioners.

Chairman Lucier stated since they would need to wait on that, today they would primarily be talking about the Transportation Plan. Mr. Bailey stated that was correct, noting once the County and Cary had an opportunity to study the plan, they could decide on next actions at that time.

Mr. Bailey, using a PowerPoint presentation, provided the following update on the Comprehensive Transportation Plan:

Comprehensive Transportation Plan Background

- Update to 2001 adopted CTP
- Four elements of the plan
 - Streets (Kimley-Horn)
 - Bicycle (Kimley-Horn)
 - Transit (Nelson\Nygaard & Kimley-Horn)
 - Pedestrian (Louis Berger Group)
 - Completed separately under NCDOT Ped/Bike Planning Grant

CTP Goals and Objectives

- Goals retained from 2001 CTP
- Objectives developed to reflect actions
- Recommendations classified by objective in implementation (Chapter 8)

CTP Update Progress Report

- Project Kick-off meeting, 4/18/06
- Town Council Work Session #1, 7/13/06
- Roundtables with Staff, 8/06 – 10/06, 4/07 – 5/07
- Web-based Survey, 10/06 – 12/06
- Presentation to Town Council Retreat, 3/17/07
- Teen Focus Groups/Phone Survey, 4/07 – 5/07
- Draft CTP Submittal for staff review, 10/3/07
- Submittal of Final Draft CTP, 12/14/07
 - » Work Session #2, 2/18/08
- Council Work Session #3, 4/29/08
- Regional Partner Meetings, 3/08-6/08
- Submittal of Draft Final CTP, 5/5/08
- Mailing to 2001 Citizen Advisory Committee, 5/08
- Public Open House, 6/9/08
- Planning and Zoning Board, August 18, 2008
- Town Council Adoption, September 25, 2008
-

Street Elements – Major Update

- Analysis of system with updated Triangle Regional Model
- Refinement of thoroughfare plan alignments
- Cap on widening thoroughfares to 6-lanes
 - Select exceptions
- Enhancement of collector street plan
- Update of corridor profiles
 - Council direction on median widths
- Development of revised LOS standard

Street Elements – Model Results

- Map - with tolls on NC 540
- Street Elements – Thoroughfare Map
- Street Elements – Collector Street Plan
 - Detailed planning for future alignments to avoid/minimize impacts
 - Classification of collector streets vs. avenues
 - Reclassification of existing local streets serving as collectors
- Street Elements – Thoroughfare Widths
 - Council input to cap major roads at 4-lanes
 - Exceptions where model identifies strategic need for 6-lane facilities
- Street Elements – 6-lane Segments
 - NC 55: Morrisville-Carpenter Road to Kit Creek Parkway
 - NC 54 Chapel Hill Road/ Maynard Road: I-40/Trinity Road to Morrisville town limits
 - Harrison Avenue: Reedy Creek Road to I-40
 - Alston Avenue: Amberly Parkway to O’Kelly Church Road
 - Aviation Parkway: Evans Road to Globe Road
 - Tryon Road: US 1/64 to Kildaire Farm Road
 - Evans Road: Aviation Parkway to Weston Parkway
 - Davis Drive: Morrisville-Carpenter Road to McCrimmon Parkway

Bicycle Element

Program based on 4 E's

- Engineering
 - Sharrows
 - Funding of bicycle route signage
- Education
 - Interactive Bike & Hike map online
- Encouragement

- Bike rack request form
- Enforcement
 - Active enforcement and rewards for safe riding by children
- Bicycle Element – Bike Facilities Map

Transit Element

- Map – Fixed Route Recommendations
- Map – Regional Transit Plans

Pedestrian Element – Progressive Goals

- Connectivity and Accessibility
- Health and Safety
- Appearance and Attractiveness
- Stewardship

Pedestrian Element - Policies and Programs

- Closing the Gap on Sidewalks
- Ped-Bike Advisory Committee
- Pathways to Progress = Connectivity
- Safe Routes to School
- Walk to Work Week
- Employee Education
- Pedestrian “Stings”
- Greenway Education
- Town Coordination

Figure 7.29 – Rural 2-lane collector section (Southwest Area Plan)

- Depicting 52’ right-of-way and 36’ road section
- Depicting, on both sides of roadway: 8’ swale, 2’ unpaved shoulder, 4’ paved shoulder, and 12’ travel lane

Mr. Bailey noted that the draft version of the plan was available on-line, although some minor changes had been made. He stated that within the next two weeks the final version would be available on-line.

Chairman Lucier asked if they were seeking any kind of formal comments from the Board at this time. Mr. Bailey replied any comments the Board would like to provide would be helpful. Chairman Lucier asked if Cary was a part of CAMPO. Mr. Bailey replied that was correct, but they were eligible to be a member of DCHC as well. Chairman Lucier asked if the part of Cary that was in Chatham County was a part of the MPO. Mr. Bailey replied that was a part of DCHC, which was why they were eligible to be members of both MPO’s, although federal guidance did lean towards going into the MPO with the primary population.

Chairman Lucier asked if that worked in reserve, that Chatham County could become a member of CAMPO. Mr. Bailey stated he did not believe so.

Ms. Kost asked were there new roads or improvements to roads in Cary’s plan that were in Chatham County. Mr. Bailey stated the plan had nothing to do with road improvements necessarily; what it did do was when there was a project it would guide how that project would move forward. He stated in Cary they used it as a development tool, in that if you developed along the frontage of a road shown on the plan, then they required the developer to build the road to the cross-section, including sidewalks. Mr. Bailey stated to be eligible for TIP funding, the project must be in the CAMPO/MPO level plan, and these documents were used to incorporate projects into those plans.

Ms. Kost stated her concern was the extension of Yates Store Road north of O’Kelly Chapel going through the Corps of Engineer land and then coming out on Wake Road. Mr. Bailey stated there was no funding for that road at present. Ms. Kost stated she understood that, but it was on the map. Mr. Bailey responded that was correct, and based on the modeling that was well into the future when need was predicted for that, it was much closer to the 2035 plan.

Chairman Lucier stated that road was in the Long Range Transportation Plan for CAMPO. Mr. Bailey stated that road had been in the 2001 plan as well, and well as the DCHC plan.

Chairman Lucier asked if the American Tobacco Trail was a part of the plan, noting they had collaborated on completing the part of the tobacco trail that came through Chatham County. Mr. Bailey stated that was correct, noting that was located in the greenway element of the plan, and was actually being built. He stated that Cary would serve as the project manager for that project, with the County taking over the maintenance of that portion in the future.

Chairman Lucier stated he understood that the contracts had been let on that, so work would begin soon. Mr. Bailey stated that was correct.

Commissioner Vanderbeck stated he understood that the draft document was available on-line, but some of them were compromised in accessing large files. He stated it would be helpful if an electronic copy could be provided to the County Planner so that copies of the plan could be made. Mr. Bailey stated he would be pleased to do so, reiterating that the final version would be available in about two weeks.

Commissioner Vanderbeck asked when the stormwater plan would be finalized. Mr. Bailey stated he hoped it would be ready soon with just some minor tweaks, and perhaps in two to three weeks they would have a final copy that could be presented to the Commissioners.

COLVARD FARMS WATER AGREEMENT EXTENTION

David Hughes, Public Works Director, stated that Colvard Farms had sent a letter stating they wanted to incorporate more reuse water into their irrigation system in the ponds, and wanted an extension on the agreement to be able to refill their lake after they decided what to do regarding reuse water.

Chairman Lucier stated that the contract indicated they were supposed to be finished by December, but that would not happen, so they wanted a one-year extension. Mr. Hughes replied the extension request was to April 30, 2010.

Commissioner Barnes stated he saw no problem.

Commissioner Thompson stated there was no increase in the amount of water, it was just a request for an extension of time to use what they had remaining. Mr. Hughes stated that was correct.

Chairman Lucier stated they were basically using raw water. Mr. Hughes stated that was correct, noting it was pumped directly from the lake and into their pond.

Chairman Lucier stated that water came from their unused allocation. Mr. Hughes stated that was correct, noting they had millions and millions of gallons per year that was unallocated. Chairman Lucier stated they had 3 million gallons a day that was not used, so that amounted to a billion gallons a year. Mr. Hughes stated no ill effect would be felt by granting the extension.

Commissioner Barnes moved, seconded by Commissioner Thompson, to extend the Colvard Farms request to withdraw raw water allocated to Chatham County from Jordan Lake to fill their irrigation ponds until April 30, 2010. The motion carried five (5) to zero (0).

SCOPE OF SERVICES TRIANGLE J

Mr. Hughes stated that TJCOG was proposing a joint allocation to study all local water supply plans and ideas from the different jurisdictions that were interested in the Western Intake. He stated they wanted to put together the basic raw data, put together a water supply plan, put together a group allocation request, and Triangle J would oversee that. He stated that the City of Durham had suggested that the County fund that study at a cost of \$5,000 since Durham had funded all of the work up to this point, which was considerable at tens of thousands of dollars.

Commissioner Cross moved, seconded by Commissioner Barnes, to be a quality participant in the Triangle J proposal for the joint allocation request in support of the Western Intake in the amount of \$5,000.

Commissioner Vanderbeck asked when they should expect to get more information. Mr. Hughes stated this was the first step in the process, and meetings had already begun with the different jurisdictions. He stated all of the jurisdictions would have to put together an allocation request for every jurisdiction to approve, so it would be a long process.

Chairman Lucier stated it was important to do it and important to get started, because they had a lot of goodwill with their partners in the regional water endeavor, and believed it was a reasonable request for the County to have this role and would be to their long-term benefit. He stated at \$5,000, it was a terrific investment.

Commissioner Barnes stated there was some irony in this, in that he and Commissioner Cross were at an association seminar in the spring where Durham's Assistant County Manager presented a program that this was Durham's idea and they were going to take the lead. He asked what had happened. Mr. Hughes stated he would guess they changed their minds.

Chairman Lucier called the question. The motion carried five (5) to zero (0).

TRUCK ROUTES IN CHATHAM COUNTY

Ben Howell, Chatham County Planner, stated that the abstract was available on-line and was self-explanatory; that the Legislature in the Short Session had passed a bill to expand the NC Truck Network; that up to this point interstates and primary highways were used; that Bill 1695 authorized the DOT to open up that network to allow thru trucks on all interstates and primary highways and to some extent secondary highways; that pretty much any road with an NC or US in front of it would allow truck traffic; and, that several routes in Chatham County had been added to the Truck Network in prior years.

Mr. Howell stated there were several additional routes that were eligible to be added to the NC Truck Network:

- US 64 from the Wake County line to the Pittsboro US 64 Bypass
- Pittsboro US 64 Bypass from US 64 east of Pittsboro to US 15-501
- US 64 Business in Pittsboro
- US 15-501 North from the Pittsboro US 64 Bypass to the Orange County line
- NC 42 in Chatham County (both eastern and western sections)
- NC 87 from US 64 Business in Pittsboro north to the Alamance County line
- NC 902 from US 64 Business in Pittsboro south to NC 22
- NC 22 in Chatham County
- NC 751 in Chatham County, from US 64 to Durham County Line

Mr. Howell stated that NC 751 was the only route in Chatham County designated on the map for further study to possibly be restricted in the future, and the Board could request other routes for additional study. He stated it was their understanding that if no major comments were received, then those roads would be placed on the NC Truck Network.

Mr. Howell stated that Planning staff had looked at the routes, and NC 902 was designated by the DOT as a scenic byway and wondered if the Board wanted to take a position to make the DOT aware that it was designated as such; that NC 87 would have a new roundabout at the CCCC library; that having 64 Business on the Network would allow trucks to come through the middle of Pittsboro and around the traffic circle; that portions of some of the other roads were designated as bike routes on the County's bike route map, including portions of US 15-501 north and south, portions of Business 64, 902 and 87 North. Mr. Howell stated if the roads were placed on the Network map trucks would be allowed to use these as thru routes; that currently those trucks were allowed to use those roads only if they had terminals on those roads; that this would not necessarily keep those trucks from those roads but it could keep some; and, that for any of the roads designated on the Truck Network trucks were allowed what DOT called a three-mile reasonable access off of those roads onto any secondary roads to access terminals or other destinations.

Mr. Howell stated that currently Chatham County had 421 and 64 West from the western Pittsboro Bypass to the Randolph County line and US 1 all designated as truck routes, as well as 15-501 South, and some of the roads proposed were already included in the existing three-mile reasonable access.

Commissioner Vanderbeck asked if the municipalities had been apprised of this. Mr. Howell responded that both Siler City and Pittsboro were aware of this, adding that Siler City would likely not have any comments because 421 and 64 were currently truck routes and had been added to the map in previous years. He stated he had not heard of any action by Pittsboro.

Chairman Lucier asked what sort of action would be expected, such as taking a formal position or vetoing any of the roads. Mr. Howell stated it was up to the Board what comments they wanted to submit, noting that DOT had asked that any comments be provided by November 15 and those comments would be compiled and sent to the State Board of Transportation. He stated if there were enough comments about certain routes, they would likely consider changes to the map prior to it being sent to the Board of Transportation.

Commissioner Vanderbeck asked had staff taken any position on this. Mr. Howell stated not necessarily, that staff wanted to remind the Board that portions of some of the roads were either scenic byways or designated bike routes or were on the 2011-2017 TIP for improvements, and that there may be an issue with trucks using the roundabout in Pittsboro.

Jason Sullivan stated if the Board had additional routes that they wanted to have studied, now would be the time to make that known.

Chairman Lucier stated he was concerned about a couple of the roads being designated, particularly NC 87, and potentially 751. Commissioner Thompson agreed.

Commissioner Vanderbeck stated he would like to add NC 42.

Chairman Lucier stated clearly they would not argue against the 4-lane highways but there were others that did raise issues, noting that 751 was on the Transportation Plan.

Ms. Kost stated that some of the roadways were deteriorating because of construction equipment. She stated when you added routine truck traffic, it begged the question were the roads able to handle the truck traffic.

Ms. Hurley stated that the DOT had been given a very short window to get a preliminary map out, and the email received through the RPO stated that they had done a preliminary check of the roads, but it was not clear from that email if they would go back and conduct further study on those roads.

Commissioner Cross stated that he saw truck traffic on many of the roads that had been mentioned. Mr. Howell stated the roads he had described would be allowed for use by 52-foot trucks; that the existing routes already on the map would allow use by the larger cub trailers, which were the twins.

Commissioner Barnes stated they should keep in mind that the roads that were looked at in the western part of the County had a lot of truck traffic, particularly 902, a lot of which was agricultural. Mr. Howell stated this bill would not necessarily restrict that, noting there were many exceptions to the Truck Network map. He stated that any trucking company could go to the DOT and ask for an exception for a road to either be added to the Network or for a permit to allow them to drive on a road that was not in the Network. And, he said, there was the three-mile reasonable access, so having roads on or off the Network map would not keep all trucks off those roads, but it would allow thru trucks to drive on those roads a little easier.

Commissioner Barnes stated he would not have 902 as a scenic route, because normally you would think a scenic route was something you could safely ride a bike on. Mr. Howell stated the DOT had placed that designation on 902.

Commissioner Thompson asked what kind of standard DOT used when they decided whether or not to place a road on the Truck Network map. Mr. Howell stated that had not been provided to them. Commissioner Thompson stated to arbitrarily include a road without letting

the County know what standard was used appeared to be unfair. Mr. Howell stated they had gotten very little information from the email, and after speaking with their RPO coordinator he had very little information as well. He stated their understanding was that DOT would make sure that the designated roads would take the weight, and by being NC or US routes they should have been built to a standard that would take that weight.

Commissioner Thompson stated did that mean they were still studying these roads. Mr. Howell stated this was still a preliminary map, so there was still some study to be done but they did not know how much. Commissioner Thompson stated that as a Board they should consider the aspect of safety of having increased truck traffic, particularly on 902 and 87. He stated that was something he would want DOT to take into consideration, and assumed that the implication was that when those roads became a part of the Network they would be opened up for additional truck traffic. Commissioner Thompson stated he agreed with Commissioner Barnes that you could not safely operate a bicycle on 902, and believed the Board should make that concern known.

Chairman Lucier stated that there were some local farms using large trucks off of 902, and did not think this would cover them. Mr. Howell stated this would allow thru trucks that would not stop to use the roads, and all local trucks going to and from farms should still be able to do so since that was considered a local route.

Rita Spina stated they had spent a year on the corridors, and they should take a look at what was said during that work in comparison to this proposal; that about six weeks ago a transportation group had made a presentation to the Board and much comment had been made as a result, and that should be considered; and, that the whole concept of reducing their carbon footprint was a critical issue, and more trucks would not allow that. She asked why the DOT was not working with same kind of rail transit that could take some of the impact off the roads.

Chairman Lucier stated that was done through the various planning organizations, in terms of the various transit systems, bicycle groups, and the like. He stated there were long-range plans, but whether or not they would be implemented in any desirable way was not known.

Ms. Spina stated it appeared the DOT did not have much money available, yet here they were making megaplans, and she did not believe that there would not be expansion of those roads because of this. She stated the Board had adopted the concept of a scenic route, and all of those things needed to be looked at together.

Chairman Lucier stated this was an early stage of the process, but believed the Board did need to respond. He stated he would like to know what Pittsboro had to say about the roundabout and NC 87, as well as the other areas that were in their ETJ. Chairman Lucier stated it made sense that the County and Pittsboro not be conflicting in their comments. He stated that the deadline for comments was November 15, so they would have to form their comments by the November 3 Commissioner's meeting. He asked what other types of things they needed to find out as a Board before they developed their comments. Mr. Hughes suggested that having the traffic counts on those roads might be helpful.

Commissioner Cross stated that 42 North to Fuquay was a very curvy road as well as hilly, and local property owners had recently been notified that the bridge would be bypassed in two years and a new bridge built.

Chairman Lucier stated his feeling was that the Board revisit this on November 3, and then develop a bullet list of concerns; then, he as Chair would sign it and send it to the DOT.

Commissioner Cross stated he believed the response should be from the County, Siler City and Pittsboro.

Chairman Lucier stated that would ensure that they were as consistent as possible throughout the County. He stated that because Siler City was not impacted, they may not wish to have any comment, but believed Pittsboro might well have some.

Commissioner Barnes stated they would need to keep any economic impact in mind.

Chairman Lucier stated that was a good point, so perhaps they should seek input from the EDC. Mr. Howell stated they had already sent Dianne Reid the information, but had not received any comments as yet. Chairman Lucier asked that he contact her and let her know that the Commissioners would be forming final recommendations on November 3 and would like the EDC's input prior to that. He stated the EDC would not be meeting before then, but Ms. Reid could speak to members of the EDC board and get their thoughts to be submitted.

Ms. Paschal stated that Ms. Reid was out of town for two weeks.

Ms. Kost stated the Planning Board would be happy to look at it, but they would not meet again until November 3rd.

Chairman Lucier stated he had no problem having Ms. Kost submit some comments on behalf of the Planning Board.

RECESS

Commissioner Cross moved, seconded by Commissioner Barnes, to recess to the meeting to the County Manager's Conference Room for dinner at 4:40 PM.

The Board discussed general topics of interest.

ADJOURNMENT

Commissioner Thompson moved, seconded by Commissioner Cross, to adjourn the meeting. The motion carried five (5) to zero (0), and the meeting was adjourned at 5:46 PM.

George Lucier, Chairman

ATTEST:

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