

TOWN OF UNIONVILLE REGULAR MEETING MINUTES

The Town Council of the Town of Unionville met on Monday, November 19, 2018 at Unionville Town Hall, 1102 Unionville Church Road, Monroe, NC. Mayor Baucom and Commissioners Andrew Benton, Ken Brown, Edd Little, Jaren Simpson and Gene Price were present. Town Attorneys Ken Helms and Ken Swain were also present.

Everyone stood and recited the Pledge of Allegiance to the United States flag, after which Commissioner Andrew Benton led the prayer of invocation.

Mayor Baucom called the meeting to order at 7:33 p.m. and welcomed everyone present.

There being no public comments, the Council considered the minutes for the October 2018 regular meeting. Upon a motion made by Edd Little and seconded by Jaren Simpson, the minutes were unanimously approved.

Mayor Baucom then recognized Finance Officer Darrell Baucom to provide the financial report. Mr. Baucom stated that the balance sheet showed the cash that we have. On the next page, the current income is close to the projected budget. On the expense side, the budget is favorable with savings in insurance, office supplies, and legal fees. Some of the large items paid last month were N-Focus and the final payment to Barbee Lawn Care. Pending bills are normal stuff plus N-Focus with consulting and code enforcement and Mr. Swain's work with the Board of Adjustment. He stated that we also have a draft of the audit from J. B. Watson. Upon a motion made by Ken Brown, seconded by Jaren Simpson, Council unanimously approved the payment of all pending bills.

Mayor Baucom then called for a motion to go into closed session concerning a matter of Attorney/Client privilege. Upon a motion made by Edd Little, seconded by Andrew Benton, the Council went into closed session. After meeting, Attorney Ken Swain stated that there was no action taken in the closed session. Upon a motion made by Edd Little, seconded by Andrew Benton, the Council came out of closed session.

Attorney Ken Helms then addressed Council about some questions he had concerning the Council's request for research into new annexation policies. He stated that there is no list that has the statutes, but there is a list of what we need. There is one issue about the doughnut hole – so an amendment would clarify that annexed properties cannot go around another property. If this amendment is passed in the future, people electing to opt out will kill the annexation. He stated that this is his understanding from what he has heard from Council and what we need to put together. In addition to the doughnut hole is setting a time limit. The last annexation took about three years for completion, which created a significant issue. Council has indicated that they want to have these things with some time periods that are reasonable. Attorney Helms stated that he is just looking for direction from Council to put together to give folks considering annexation. Mayor Baucom stated that the biggest thing was to avoid the doughnut holes. It should be all or nothing, with no subdivisions with every other house wanting out. Attorney Helms asked about the time period and if that was something they want to address. Edd Little stated that it

was definitely something he would like to address. Attorney Helmst stated that he will have something put together for the next month's packet.

Mayor Baucom then set a public hearing for Annexation #21 to be held at the next meeting on December 17th at 7:15 p.m.

Mayor Baucom then opened the floor for the next item on the agenda, the consideration of committee member regulation. To clarify, he understood that this is to address the planning board. He understood that the concern was that anyone employed by the Town or with a service contract for the town would be prohibited from serving on the Planning Board. Mayor Baucom then asked about the Board of Adjustment. He stated he knows that the Board of Adjustment is primarily Council, but he just wanted to verify. He asked the Council for their thoughts. Andrew Benton stated that he understood that this included boards and committees regardless of what it is. Ken Helms stated that it did not have to be limited. The Planning Board is in the Land Use Ordinance, so it will have to be a text change. Other committees are not in the Land Use Ordinance, so it would need to be addressed differently. Mayor Baucom asked what way they needed to go. Attorney Helms stated that the Council appoints the Planning Board, it is an advisory board. It is not like the Town has a lot of employees or service contracts. This would mean that if anyone enters into contracts or services for the Town, they would have to resign from the Planning Board. It would depend on how rigid we want or need to be. Attorney Helms stated that he could include that in your packet and you may determine if you like the language. He stated that he would be willing to do whatever they wanted him to do. Mayor Baucom stated that if it is a paid position, it would eliminate the person from serving. He stated that he was not sure that this would be the step they want to take. He stated that he could think of scenarios down the road that might eliminate good people from serving simply because they are contracted by the Town. It would ultimately depend on how broad Council would want to make it. Mayor Baucom then asked what the pleasure of the Board would be. Jaren Simpson stated that he would like a little time to think about that. Ken Brown asked Attorney Helms if he would prepare something for Council to think about and consider. He stated that if Council does not want it, then Council would not have to vote for it. Jaren Simpson made a motion that they look at it at a later date. Edd Little seconded the motion and it passed unanimously.

Mayor Baucom then opened the floor for the consideration of TC-18-01, revisions to section 238 and 239 of the Land Use Ordinance. Mayor Baucom reminded Council that they had heard comments during the public hearing and now the Board needs to vote. Mayor Baucom stated that he felt like Old Gate has worked well. He stated that he understands concerns of the Planning Board in regards to lines running across multiple properties creating potential problems down the road. However, he also understands those who have invested in property do not want to be hurt by this either. Planning Board member Jeff Broadaway stated that there were no public comments, but Mr. Flowe did join them in a meeting to address the concerns. Mayor Baucom stated that he could see a parcel where two sisters own it with limited perc sites; he does not know how that will be when they go to divide that up. Ken Trull stated that Mr. Flowe believed that having lines on properties that were not the homeowner's lines. He spoke as an expert on that and that it was not a good practice, as the Council all heard. Jaren Simpson stated that he felt that it was a touchy situation right now, but in 20-30 years, he felt that the people will say we did the right thing. Gene Price asked if anyone knew what kind of devalue could happen in land

values. He stated that he felt there could be all sorts of potential problems. Edd Little stated that it might be of value knowing that others do not have easements running across others' properties. Jaren Simpson stated that he would not want my lines running across your property. Ken Brown stated that it would not be a secret. Jaren Simpson stated that it would be something that you have to think about, though. He asked Council how many peoples' yards would have to be torn up. Edd Little stated that it could be three or four yards. Ken Brown stated that his property is like this. He said that his neighborhood would likely not exist if not for the easements, but that he also knew about the easement because his attorney instructed me about it. He stated that he saw their points, but he also understands the other side of the argument. Mayor Baucom stated that he would rather have his septic system on a red hill than a low pressure system. Gene Price asked if anyone knew how land values would be hurt due to this decision. He stated that he would hate to see Council create a new problem trying to solve this problem. Jeff Broadway stated that Mr. Flowe advised that this decision would not hurt the value. Mr. Flowe advised that there may not be as many houses built, but there will be a bigger lot, and likely a larger house. It might even raise the property value. Darrell Baucom asked for permission to speak. He stated that it seemed to him that if a developer is not able to put houses there, then it would be farmland, which would reduce the value by half or third as much. Ken Trull stated that as the Planning Board, they were asked to plan for the future. It was the belief of the Planning Board that by following the advice of the professional, it would help resolve future potential issues. Jaren Simpson stated that every square foot on a farm of any size is not always useable due to the way the land is. Every square inch of the property is not always useable, so it has to spread out a little bit. There are areas that will not sustain anything. Mayor Baucom asked for any other comments? Ken Trull stated that at this point, Planning Board has done what was asked by investigating, listening to information, and presenting it to the Board. It is now a policy decision. Vote and decide one way or the other. Mayor Baucom asked if the decision would be a simple majority vote. Land Use Administrator Gaddy stated that it would be and the motion would need to include a statement of reasonableness and consistency. Jaren Simpson made a motion to accept TC 18-01 as it is reasonable and in the public interest and is consistent with the Town's Land Use Plan adopted March 2000. Edd Little seconded the motion. Andrew Benton asked from a buyer's standpoint, how common it would be for a septic inspection because it is not a requirement. Darrell Baucom stated that low pressure systems have to be inspected every 6 months to one year. Land Use Administrator Gaddy stated that her system has never been inspected in several years. Gene Price asked that in a given subdivision, what percentage of houses would have easements with drain fields across other properties. Ken Brown stated that he knew of four in the back end of his development. Gene Price asked if those home would be there with this ordinance in place. Ken Brown stated that he did not think so, but he was guessing. Mayor Baucom stated that on the one hand, if someone were to cut their tract up, that land is gone for production land anyway. Gene Price stated that if someone is going to sell their property and they're looking to it for retirement, it could hurt the value of their land. The Council voted with 3-2 in favor of the text amendment TC 18-01 passing. Ken Brown then addressed Council and Planning Board members present, thanking the Planning Board for thinking 20 years down the road. He stated that this type of disagreement does not happen in Unionville too often. He affirmed that he would stand behind the majority's decision. Ken Trull reiterated that the recommendation was based on the information the Planning Board was given by the experts.

Mr. Michael James, Assistant to the County Manager, then addressed the Board to present the county's recent fire funding study. The county has been working with a consultant, Stantec, out of Florida, to assist with coming up with a long term funding plan for fire services. Mr. James stated that his goal is to make sure that everyone understands the objectives of the fire funding study, goals, and intent. He presented how the county is currently funded and then addressed alternative strategies. Ultimately, he is asking for every local governing board to provide a letter of support for the option that they believe is best for the county. The ultimate goal is review all of the funding options and alternatives with an ultimate goal of attaining the maximum equity cross-burden in the county. In the early stages, they have determined that the current fire fee model lacks sustainability necessary to fund itself, so the county is now reviewing options for replacement. All properties in the county are assessed for taxes to make sure we can meet future demands. There are currently 17 fire service districts in the county. Of those, five are tax funded districts and 12 are fire fee districts. The five tax funded districts meet with the commissioners and set a local tax. The other 12 are a fire fee district, which has a maximum amount of \$100/home due to state regulations. The fire district cannot increase the fire fee due to demand or need. The last increase the state allowed was in 2009.

Mr. James then began to discuss the current municipal departments that are operated outside of the county model. Monroe and Weddington have municipal-funded departments. Other municipalities provide funding to their departments, but those are the only two that procure the municipal funds by themselves. The county does provide them funding at the same rate of the other tax funded departments, but the municipalities manage the budget completely. The tax rate currently is 1.03 cents and is countywide, which equates to \$17 million for the entire county. Mr. James then provided Council with a snapshot of a budget document from this past year. Unionville's budget was \$635,000. Using the current fee model, Unionville can raise \$364,000. They would then have to subsidize over \$200,000 out of the county-wide tax. This reflects the fee structure for FY 19 based on how the departments operate. Mr. James went on to say that 80% of what fire departments do is not fire at all, but more public safety and lifesaving services. They respond to roadway accidents, falls, and so on, and fire departments are typically the first on scene.

Mr. James then continued by saying that the county has a broad range of taxable values within our districts. For example, Wesley Chapel has over \$5 billion value, as opposed to another district with only \$126 million value. The Town of Wingate needs \$475,000, and some smaller districts only need \$34,000. With the heavy agricultural presence in eastern Union County, support for funding fire is not always easy when faced with large farms. Only 10% of funding comes from agricultural parcels. In having this conversation with Lake Park recently, Mr. James stated that the rural districts are facing much different scenarios than more densely populated areas.

The county did conduct a comparison of Union and Brunswick counties, with Brunswick County being the only other county in the state operating using a fire fee model. They noted that Union has more dense population and more agricultural land. 66% of population live on the western part of the county and 70% of the county's agricultural production is in the eastern side of the county. Fee model works better in Brunswick due to the differences in population. If we pursued a model where every fire district received fire tax, based on sales tax revenue, we would not see

impact from that. Unionville does not receive sales tax currently. Mr. James stated that he wanted to make sure everyone understands the district as it is now.

Mr. James then reviewed the four potential options. The first option is a self-funding tax district – where every district has local tax rate associated with it. Each district would have to raise its funding itself. The second option is a county-wide tax, with no local district tax. The third option is a self-funding option plus a subsidy. And the fourth option is the fire fee. The first assumption is that Monroe and Weddington will provide their funding outside of the county-wide structure, and the county would reimburse those areas. All fire-fee districts would become fire tax districts. Have been working with Wingate to rearrange their districts and have made the assumption that they would change their ordinances to do that. We would all share a piece of the sales tax in that system.

Mr. James then provided an example of a self-funding tax district. In the Town of Unionville, 6.49 cents is needed to fund the needed revenue. Unionville has \$770 million, which is fairly healthy. Wingate has 13 cents tax, Lanes Creek has a higher tax rate because there are not a lot taxable items. The question has been raised about transferring across districts. The tax rate is dependent and reflective of each fire district and density, so there is no sharing across values. The tax is set to be self-contained and self-supporting. This model eliminates county-wide fire service tax and authorizes fire tax in each district to fund the district's departments. In the self-funding tax district rate, property close to \$165,000 will cost about \$100 for fire tax.

The next option would require that the county do a basic allotment that covers basic level of service, mutual aid, and basic funding. Instead of a flat rate, each fire district would receive a percentage rate of the budgeted amount. The county would provide a 20% subsidy and the district would need to provide the remaining 80% through local taxes.

In the county-wide fire service model, each district would still operate in autonomous units with county contracts. This would require 17 contracts in the county to serve all of the districts. There would be no input regarding operations, but they would be looking at funding. The county-wide tax rate would be 6.66 cents, and it will eliminate the need for local district funding. It would operate as a cost shared source for a general public service, similar to the Sheriff's office. Mayor Baucom asked if this rate would drop due to property revaluations. Mr. James stated that he assumed so, and property is due for revaluation soon.

Mr. James then discussed House Bill 445, which is used for the fire fee model. He stated that the fire fee model has issues meeting the demands. It would operate at a tiered rate structure. The more densely populated areas only need 39% of the maximum fee to be funded, while the more rural areas need up to 92% of the maximum fee to fund their area. Unionville would need 55% of the maximum fee based on FY 2019 numbers. The fee is estimated based on property square footage.

The county did conduct a Fire Chief Survey and shared the feedback with commissioners. This survey asked what options the chiefs think makes most sense and why. The majority supporting the taxing model method. Two wanted county-wide, the rest asked for some sort of self-funding.

In looking at the county as a whole, it makes sense for a subsidy to share some of the costs and provide mutual aid. None of the chiefs supported the fire fee model.

In the long term, they also have to consider if a municipality opts out. It is up to local municipalities to opt out, but they are trying to find a model that works for everyone. There are some talks about municipal departments or consolidation of districts. They will have to then readjust unincorporated areas based on those types of decisions. Ultimately, the fire service is a partnership between the county and municipalities. In the long term, they are searching find a source of revenue that will provide the services that each district needs and will be sustainable.

Mayor Baucom asked Mr. James what the timetable would be for implementation of the new plan. Mr. James stated that it would depend on municipality feedback. The best case scenario will be that it is adopted for FY 2020. Mayor Baucom stated it looked like most are looking at fire tax of 80/20 or 70/30. Mr. James stated that it was the most popular. Mayor Baucom stated that he would respond by January.

Mayor Baucom then asked Deputy Clerk Braswell about the Unionville Person of the Month. Deputy Clerk Braswell stated that the people had been selected by the committee and they would be honoring the Town's three living WWII veterans along with former mayor, Larry Simpson, and Clerk/Land Use Administrator Sonya Gaddy. The committee had voted to give each recipient a certificate and \$50 Hilltop Restaurant gift card, upon Council's approval. Upon a motion made by Ken Brown, seconded by Jaren Simpson, Council unanimously approved the Person of the Month gifts.

Land Use Administrator Gaddy reminded Council that the annual Christmas Parade and Tree Lighting will be held on Saturday, December 1, 2018. She mentioned that entertainment would include the Piedmont High School's Drama Club, Unionville Elementary School's Broadway Bob, Parade, Tree lighting, and Person of the Month recognition. There will also be refreshments in Town Hall.

Mayor Baucom then opened discussion for the consideration of Grounds Maintenance Proposals. They have received three proposals. Mayor Bacuom stated that he noticed one company had some additional surcharges, for example, fuel was 6%, and there was an additional charge for pine needles. Those were included in the Baucom estimate. Jaren Simpson confirmed that he had seen the work that Chad and Justin have done and they do a good job. Upon a motion made by Jaren Simpson, seconded by Andrew Benton, Council unanimously agreed to accept Chad and Justin's proposal.

In other news, Ken Brown told Council that the fire department had its first of two days of inspection from the Department of Insurance. A successful inspection equates to a 12 cents savings on home insurance because it gives the department an ISO rating. Andrew Benton noted that this inspection requires a tremendous amount of time and effort and includes a drop tank operation. Edd Little thanked Ken and the staff at the Unionville VFD for what they do.

Land Use Administrator Gaddy advised the Board that the live Nativity is happening again this year on December 14 & 15. It will be posted on Town's website.

There being no other business, the meeting was adjourned.

Respectfully Submitted,

Melody Braswell
Deputy Clerk