

MINUTES FOR THE TOWN OF SWEPSONVILLE  
TOWN COUNCIL MEETING OF MAY 18TH, 2010.

The meeting was called to order by Mayor Raymond Herring.

Mayor Raymond Herring, Mayor Pro Tem Hugh Doss, Elvin Briggs, Doug Scott, Darrell Newton were all present for the meeting.

The Town Council took a moment to remember the passing of Richard Wright on Crescent Drive.

The minutes for the meeting April 20th, 2010 were reviewed. Darrell Newton made a motion to accept the minutes as written. Doug Scott seconded the motion. The minutes for the meeting April 20th, 2010 were unanimously approved.

Franz Holt, Town Engineer and Bryan Maas, ECS Carolinas, LLP an engineering firm came to discuss with the Town Council what they know on the Virginia Mills Property. Franz Holt, Town Engineer was asked by Town Council to look at the Phase I report that Council Member Doug Scott dropped off at the Town Hall. After Franz looked over the Phase I document, he stated to the Mayor Raymond Herring that he thought that it would be in the Town's best interest for him to ask Bryan Maas, ECS Carolinas, LLP some questions about the test and findings that they had already done on the property for Virginia Mills, LLC. Franz also talked to Mr. Bruce Nichols, with DENR about the Brownfield. Darrell Newton stated that he read the report that Bryan Maas sent to the Town Council. Darrell also spoke with Mr. Nichols. Darrell asked Bryan would it be a good purchase or not? Or could he answer that question? Darrell also stated that there doesn't have to be a Brownfield. Bryan answered Darrell's question with, "it is highly recommended." Bryan also stated that the Brownfield is for legal purposes. You can't find a contractor without a Brownfield. It is more of a liability to North Carolina without the Brownfield. Darrell also asked Bryan if he had ever done any sites like this before. Bryan answered yes. Darrell also asked Bryan why the debris would have to be removed when it's in a flood plain. Bryan stated that the state would want it to be removed. It could take up to 12 months to get a Brownfield Agreement. Elvin Briggs asked Bryan when did you start the study on the property for the current owners. Bryan said in 2003 they did some tests and 2008 they did more tests for Mid Carolina Bank. Elvin also

asked Bryan was he aware of anything on the property that is contaminated? Bryan stated he didn't see anything, but there is debris to be removed. Also testing to be done under the concrete slabs. Darrell said when he talked to Mr. Nichols that he said he was ready to sign a Brownfield Agreement. Doug Scott spoke up and said all Mr. Nichols needs is an application. Bryan stated that the Brownfield was started but never closed on. Doug Scott asked if the Town takes the property will there be 12 to 18 months to pay the application fee. Bryan answered that once there is an agreement, he would move along quickly to get the debris moved. Hugh Doss made a comment if Mid Carolina Bank is the holder why don't they do the clean up? Darrell said they probably would if you wanted to give them the original price of \$250,000.00. The Mayor asked if \$150,000.00 would pay for the clean up, legal fees, and engineering fees. Is the bank going to loan the money? Darrell said that Mid Carolina Bank said they would give us a low interest loan. The Mayor stated that what page 5 of the report states that it will take \$250,000.00 and Bryan said that is not all of the clean up. Bryan also stated that you can not get a grant for the clean up. Franz stated to get a Brownfield you would have to do the upper part of page 5. Bryan said the money part could cost less. It depends on the sampling and the tests under the debris. Franz stated that you can't get an EPA grant for clean up. Doug asked are there state grants? Bryan answered no, that the Town could go to Jason Martin with Alamance County. Alamance County has an EPA Assessment. He said we should do some research on Alamance County and if we wanted to do a park at the property maybe Alamance County would be partners with us. The Mayor said he has talked to Jason and the grant is a matching grant. The Mayor asked the Town Council do we still want to pursue this. Darrell Newton and Doug Scott stated yes. The Mayor said he would have no part of it. Why use the Town's money, what is the purpose of it? Darrell answered he didn't know tonight, but he hasn't heard anything to run him away from wanting the property. The Mayor then asked Darrell if he didn't see anything in this report that he didn't like? Doug stated that this is the Town's responsibilities. The Mayor asked the Town Council would they invest their money. Darrell stated that he would buy it today. Mayor stated that he is worried about the up coming budget. The Mayor said all he would hear is that the water & sewer rates are too high. The Mayor said that since we have too much money we should be able to lower the water & sewer rates. The Mayor stated that he would not buy it. Paul Koonts, Town Attorney told Bryan Maas that the report was great. Paul stated that the report had stated about the property being used for a park. Bryan stated yes. Paul asked were there any concerns about the spills from

the pump station? Is the state concerned about the spills being here at the back of the Virginia Mills Property? Bryan said he had talked to NC State and they knew it was an older pump station. The Mayor said we have had 4 sewer spills in the last 12 months. We have an inspection tomorrow on the sewer system and may be told to purchase a million dollar pump station. The Mayor said what is the purpose? Is it to keep someone from doing something that we don't want on the property? Are we buying it to turn around and sell the property? Hugh stated that the bottom line is that it will take about \$500,000.00 to purchase and do the clean up. The Mayor said everybody can see the debris. If it is a sweetheart deal why hasn't everyone bought it? Are we getting this deal because we have money in Mid Carolina Bank? Doug stated that there is vacant property all over Town that is because of the economy. The Mayor said he will never change his vote. All it is is a money pit. If we own it who is going to clean it up? Darrell asked Franz and Bryan if they know anything we don't know. Franz stated that if we did it would be on the report. Franz said the only unknowns are under the concrete slabs. The Mayor stated that it is going to cost the Town to find out. Paul stated that we have to have a contract before you can get a Brownfield. The Mayor asked Paul would you buy it the way it is now. Paul answered no I would not say buy it. But if purchased the Town needs to do the Brownfield Agreement. It is just too much of a risk. Paul told the Town Council that what they are voting on is the purchase price and the Brownfield. Darrell stated that not many people know about the price of \$100,000.00. Paul stated well tonight it becomes public record. The Mayor asked Paul as the Town Attorney would you sign off with no Brownfield? Paul answered no. If we purchase it I would want the testing guys out there next week. Doug Agreed. Paul stated that we don't know what the maintenance will cost. We do know that for the Brownfield it will cost \$45,000.00 and the purchase price is \$100,000.00. Mayor said then there will be inspections and then the cost of the environmental guy and the fees go on. He asked when does the spending stop. Darrell asked Paul do you legally see any reason for the Town not to purchase the property. Paul stated that there is no legal reason not to purchase the property. The Town Council has all the answers from the report. The Mayor made a comment that the public has not been asked about purchasing the property. Darrell stated that Paul said we do not have to have a public hearing. Franz and Bryan stated that if we purchased the property before we could get a Brownfield there would have to be a public hearing. Doug also stated that we have the money in the General fund and we would not have to borrow the money. Franz said that he notified Bryan so each Town Council member would not be calling

him coming back with a different statement. Now that Bryan did the report all your answers are there. The Mayor asked why we are not having a public hearing. Darrell said vote tonight to have a Brownfield public hearing. Paul stated that we had to be purchasing the property and then have the Brownfield public hearing. The Mayor made a motion to table the property purchase. Darrell and Elvin said no. Darrell asked Paul do we need a public hearing. No you don't have to have a public hearing, Paul stated. The Mayor made a motion to ask Mid Carolina Bank to include in their price \$43,000.00 for clean up. Hugh Doss seconded the motion. Doug, Darrell, and Elvin all opposed the motion. Darrell made a motion for the Mid Carolina Bank notation not to exceed \$100,000.00 for the purpose to purchase the Virginia Mills Property. Doug Scott seconded the motion. Darrell, Doug, and Elvin voted for the motion. The Mayor and Hugh opposed the motion. Darrell asked it to be recorded in the minutes that Mid Carolina Bank was asking \$250,000.00 for the Virginia Mills Property. The motion was already made and was voted on in the February minutes. Paul Koonts, Town Attorney wrote the motion himself. Darrell stated that there are two people interested in the property. Doug said that it is not Mid Carolina's business to own the property. The Mayor stated it's not the Town of Swepsonville either.

The Mayor stated that Paul Koonts, Town Attorney has put together a Personnel Policy. The Mayor asked Paul if there were any changes made and Paul stated that there is no retirement in the personnel policy at this time. The Mayor reminded the Town Council that Darrell had asked that the longevity pay be changed to 2%. Those changes were made. The Mayor asked Paul about the Town Administrators position. The Mayor told Paul and Town Council that he had never been given that title before. After it was explained the Mayor stated that he would do the part of the Town Administrator and make sure that the personnel policy was followed. Hugh spoke up and stated that the Mayor does this anyway. Doug Scott made a motion to adopt the personnel policy as written. Hugh Doss seconded the motion. The personnel policy was unanimously approved.

Paul Koonts, Town Attorney told Town Council that he sent the letter to the Employment Security Commission about becoming non-charging on claims which we successfully contest. Doug stated that if we lose the claim then do we pay? Bobby Massey, CPA said you have to have a very strong case. You have to have the history of the employee and follow the rules and keep everything in writing.

The Mayor brought up an issue about the house on Hillside Dr. He told Paul to follow code and have the property destroyed. No one is living in the house and it shouldn't be in the neighborhood. The Mayor told Paul to spend the time and resources to take it down. Paul stated that he would take care of the issue.

Bobby Massey, CPA gave the Town Council the Budget Draft for 2010-2011. Bobby started off by saying that there is nothing in the budget about Virginia Mills Property, for the purchase or the clean up. Bobby needs some direction from the Town Council on where the money is going to come from to purchase the property. Some of the things that are in the budget are going to be switched around to cover the money for the property if the Town purchases the property. The Mayor told Bobby that he wanted to add \$10,000.00 to the budget for the house that will be taken down. Darrell and Doug stated that the money for the property could come out of reserve. The Mayor stated that if we got too much money give it back to the citizens. Darrell asked Bobby where you want it to go. Bobby answered it is not up to me. Darrell asked could we make adjustments to some of the things on the budget. Bobby started with the ball-field asking are we going to spend \$10,000.00 on it. The Mayor stated he would like to have the option. The Mayor stated that he could take out \$6,000.00 of \$12,000.00 budgeted for the river park, because he probably wouldn't need to use it. The Town will not purchase a new truck so \$20,000.00 will not be needed for that. Bobby said we have \$15,000.00 to the unknowns and \$81,000.00 for a New Town Hall building. The Mayor stated that we are not going to build a New Town Hall this year. So that is over \$100,000.00 so far that we can change to cover the purchase of the Virginia Mills Property. The Mayor stated that he had been saving money for the Town. The Mayor wants to know how we are going to budget it because we are not over budgeted. Bobby stated that we might have to take a small amount of money out of the fund balance, if it is okay with the Town Council. Doug questioned why we try not to go into the fund balance. Bobby answered that he does what the government thinks he should do. Paul stated that the government looks at the fund balance % ratio. With the start of the sewer budget the Mayor told the Town Council that Burlington was going to raise their rates by 7% and Graham is raising their rates by 3%. The Mayor also told the Town Council that he had Bobby to put \$20,000.00 for a flow study on the sewer system. The sewer permit runs out on May 31, 2010 and we have a sewer inspection tomorrow on Wednesday. This is the reason for a Capital Improvement

Plan. Bobby said there is an increase for the large bills to Burlington and Graham. The Mayor told the Town Council that he handed out the form on the rate increase. Swepsonville is raising their rates a little less than 7%. Darrell asked the Mayor couldn't there be something done about the rain? The Mayor told him that Burlington treats it whether it is rain or sewer. Doug asked what cities have a waste plant. Graham, Mebane, and Burlington have their own waste plant. Also Bobby told the Town Council that on the sewer budget there was \$5800.00 for a computer software upgrade.

Linda Maher was at the meeting for public time comment. She spoke to the Town Council about purchasing her house. She wanted to know if the price was too high that she gave them at the April meeting. If it is she told the Town Council that she would lower the price. She just thinks it would be great as a Town Hall.

Doug Scott told Town Council that some money needed to move out of the NCCMT- General and Sewer accounts. Darrell Newton stated that we could get bonds for 5%. Doug said that the interest would go up in 18 months. Darrell stated the thing with bonds is there are no NC taxes and if you want to get out of the bond you can for \$50.00. Doug said the only thing with bonds is that if you sell the bond you might not get all your money that you paid in. The Town Council looked at the rates at the local banks; the bank with the highest % is 1<sup>st</sup> Savings Bank in Mebane, NC. Bobby Massey, CPA is on the Board of Directors at this bank.

Hugh Doss made a motion to adjourn the meeting. Darrell Newton seconded the motion. The meeting was unanimously adjourned.

Angela Stewart

Town of Swepsonville Minutes recorded June 1st, 2010 by Angela Stewart, Town Clerk.