

TOWN OF BISCOE

BOARD OF COMMISSIONERS MEETING

06.10.13

AGENDA

1. CALL TO ORDER
2. CONSENT AGENDA
 1. APPROVAL OF MINUTES 05.13.13
 2. APRIL/MAY MONTHLY FINANCIAL REPORT
3. PROJECT UPDATES
 1. SEWER TO THE MEGAPARK
 2. VOLUNTARY ANNEXATIONS: MARTIN STREET/LURIE DRIVE
 3. SCHEDULING OF A BUDGET MEETING FOR FISCAL YEAR 2012-2013 AMENDMENTS AND APPROVAL OF THE 2013-2014 BUDGET
4. COMMUNITY DESIGN WORKSHOP REPORT FROM CENTER FOR CREATIVE ECONOMY/DESIGN LINK
5. NC HIGHWAY 24/27 SCENIC BY-WAY DESIGNATION
6. PUBLIC HEARINGS:
 1. NEW ECONOMIC DEVELOPMENT INCENTIVE POLICY
 2. 2013-2014 BUDGET HEARING
 3. CWMTF GRANT
7. CLOSED SESSION-ECONOMIC DEVELOPMENT
8. PUBLIC HEARING-SKYFALL INCENTIVES
9. PUBLIC FORUM
10. ADJOURNMENT

2. CONSENT AGENDA

TOWN OF BISCOE BOARD OF COMMISSIONERS MEETING May 13, 2013

The Town of Biscoe Board of Commissioners met in a regular session on May 13, 2013 at 7:00 pm in the Municipal Building.

Present were: Mayor Michael Criscoe, Mayor Pro-Tem Jerry Smith, Commissioners, Gene Anderson, Jimmy Blake, and John Beard. Jimmy Cagle was absent. Town Manager Brooks Lockhart and Town Clerk Laura Morton were also present.

Call to Order

Mayor Michael Criscoe called the meeting to order at 7:00 pm.

Consent Agenda

A motion was made by Commissioner Blake, seconded by Commissioner Anderson, and so the motion carried unanimously to approve the following consent agenda items:

- a) Approval of Minutes 4-8-13
- b) Lyme Disease Awareness Month Proclamation
- c) Motorcycle Safety and Awareness Month Proclamation

Proclamation 2013 Lyme Disease Awareness Month

Whereas, infected ticks carrying the bacteria, *Borrelia burgdorferi* which causes Lyme disease, continue to spread throughout North Carolina as the counties of Guilford, Haywood and Wake are now classified as “endemic” for Lyme disease; and

Whereas, the total numbers of both suspected and confirmed Lyme disease cases reported to our state health department continues to rise each year with over 1300 case events reported in 2012; and

Whereas, ticks commonly found in North Carolina have been known to transmit Lyme disease, Rocky Mountain Spotted Fever, Ehrlichiosis, STARI, Babesiosis and Anaplosmosis to residents; and

Whereas, the North Carolina Division of Public Health encourages physicians and health care providers to consider the diagnosis of Lyme disease in patients who present the symptoms of infection, even if the patient has no travel history outside of North Carolina; and

Whereas, Lyme disease is difficult to diagnoses because it imitates other illnesses and no reliable laboratory test can prove who is either infected or bacterial-free, which often leads to under-diagnosis or misdiagnosis; and

Whereas, early indicators of infection include: “bullseye” looking rash with flu-like symptoms, characterized by chills, headache, fatigue, muscle and joint aches and swollen lymph nodes; and

Whereas, weeks or months later, patients with untreated or under-treated Lyme disease can suffer from permanent and sometimes life-threatening damage to the brain, joints, heart, eyes, liver, spleen blood vessels and kidneys. For this reason it is imperative that all who may be exposed to Lyme disease receive immediate treatment; and

Whereas, the best solution to reduce the risk of contracting Lyme disease is awareness and public education about the seriousness of this illness and the need for our residents, especially children, to practice personal preventive techniques when engaging in outdoor activities - such as frequent tick checks, use of tick repellent and proper tick removal; and

Whereas, the warm summer months are considered the most active time for ticks and when the majority of residents are exposed to ticks during outdoor activities. Therefore it is important that residents are aware of the potential for acquiring Lyme disease in our town and the preventive measures they can take to minimize the risk of infection.

Therefore, I Michael K. Criscoe, Mayor, hereby proclaim May as Lyme Disease Awareness Month for the Town of Biscoe. This the 13th Day of May, 2013.

**PROCLAMATION
MOTORCYCLE SAFETY & AWARENESS MONTH
MAY 2013**

WHEREAS: motorcycle riding is a popular form of recreation and transportation for thousands of citizens across North Carolina and the United States; and

WHEREAS: North Carolina has over 132,000 registered motorcycles and over 260,000 licensed drivers who have either a motorcycle endorsement or a motorcycle learner's permit; and

WHEREAS: it is important that the citizens of North Carolina be aware of motorcycles on our roadways and recognize the importance of motorcycle safety and of sharing the roadways; and

WHEREAS: the safe operation of a motorcycle is enhanced through a combination of rider training and experience, good judgment, and a knowledge of traffic laws and licensing requirements; and

WHEREAS: several organizations, such as the Uwharrie Region Concerned Bikers Association, along with the North Carolina Motorcycle Safety Education Program, other state and local motorcycle clubs and riding/social clubs, are committed to increasing the safe operation of motorcycles by promoting rider safety education programs; their goal is to alert the motorists of the town of Biscoe, Montgomery County, to **Look Twice and Save a Life** And

WHEREAS: Motorcycle Awareness Month is designed to increase public awareness about motorcycles and to encourage their safe and proper use among motorcycle riders;

THEREFORE, BE IT RESOLVED, I, Michael Criscoe, Mayor of the Town of Biscoe, do hereby proclaim the month of May as Motorcycle Safety and Awareness Month in the Town of Biscoe, North Carolina, and urge everyone to join in this public safety campaign and be more aware of motorcyclists on our roads and highways to ensure the safety and well-being of ALL citizens.

This the 13th Day of May, 2013.

The Mayor asked about April Monthly Financial Report. Town Manager Brooks Lockhart and Town Clerk Laura Morton explained that all of the data had not been completely converted, but hoped by the next meeting, the financial report would be on the agenda for approval.

NC Wildlife Report on Town-Owned 229 Acres

Kacy Cook, Land Conservation Biologist from NC Wildlife Resource Commission discussed a survey of the town property conducted in March 2010. She gave a thorough PowerPoint presentation of the 2010 Survey. The report and map were attached to your board agenda email. Ms. Cook also provided some documents and literature that will be on file in the Town Clerk's Office (filed under NC Wildlife Commission Survey March 2010).

Request for Allowing Benches in the New Section of the Cemetery (Section D)

Town Manager Lockhart said this is following up on the letter we received 4/19. The main concern expressed in the letter was the desire to place a bench within the new section of the cemetery. The restriction on that section was put into place prior to the sale of any plots in that section; this was approved in 2010.

Commissioner Anderson said that the Town already has this in place, it is on their deeds, and it should remain that way.

Commissioner Blake said they need to use something a little less permanent than a bench. He said the grave they are referring to is close to the road.

A motion was made by Commissioner Blake, seconded by Mayor Pro-tem Smith, and so the motion carried 4-1 to table this issue until next month. (Commissioner Anderson abstained from voting.)

Request for Sewer Services

Town Manager Brooks Lockhart said a request has been made for sewer services at Biscoe Pharmacy, which is located at 2295 NC Highway 24/27 East. This request is being made by Harold Vanderveer. This business is located outside of city limits.

Mayor Criscoe said that he had discussions with some of the neighbors of Biscoe Pharmacy that would be interested in Town sewer. He also pointed out the Town has annexed property all around this property.

Public Works Director said most of the homes in the area do have sewer and was unsure why they were never hooked up.

Commissioner Blake said he could not remember a time when the Town agreed to provide sewer service without the Business being annexed.

Mr. Stewart said in order to run sewer. Hwy. 24/27 would have to be cut up and a bore would have to be done under the road. He said there is no gravity sewer at the car wash.

Commissioner Blake asked about the cost. Mr. Lockhart and Mr. Stewart said they do not have a price but estimated the cost to be at least \$5,000.

Commissioner Blake said he would say yes if they were annexed.

Mr. Stewart said the cost would be similar to the costs when the Town had to bore under the road for the new Dialysis Center (DaVita).

Commissioner Blake asked how soon he needs the sewer. Mr. Lockhart said he has been receiving pressure regarding the sewer problems and needs to as soon as possible. Mr. Stewart agreed.

Mr. Lockhart said we could put the voluntary annexation request on the agenda next month. Commissioner Blake said he could not see doing this without the annexation. Mr. Lockhart suggested the Board table the item until he could bring more information back to the Board.

A motion was made by Commissioner Beard, seconded by Commissioner Smith, and so the motion carried unanimously to table this sewer request until further information could be gathered.

Hometown Veterans Memorial

As discussed at our last budget meeting, the Veterans Memorial Dedication is planned for May 25th. The dedication will be Phase one of the memorial. Names will not be included at this time and plans will need to be made in the future for a phase two for this project.

Mayor Criscoe said that a better location was found between the basketball goals and the swimming pool with the Crepe Myrtles. He said Bobby Kellam thought it would be more feasible. Sidewalks could be used and handicapped visitors could access it easier.

Phase 1 – Main Column with benches (which Tony Hutto is donating).

Phase 2 – Flag Poles

Phase 3 – Main Panels with names

Commissioner Beard asked about the size of the monument. Mayor Criscoe said approximately six feet.

Commissioner Blake said he thought it was the best place. He said Bobby came in the restaurant and drew it out for him.

A motion was made by Mayor Pro-tem Smith, seconded by Commissioner Beard, and so the motion carried unanimously to approve the placement of the Veteran's Monument between the basketball goals and the swimming pool with the Crepe Myrtles.

Project Updates

Sewer to the Megapark

Mr. Lockhart said the project encountered 8 days of rain delay in April but is still progressing at an aggressive rate. Currently, Gravity lines are being installed near Martin Street and soon will be completed to the treatment plant. In late May or early June, weather dependent, there will be a bore pit in Aileen Avenue, to allow crossing of Old US Highway 220. This bore pit will mean a different traffic pattern, which will be in effect until completion. As a firm date approaches, we will be notifying the board via email. He also told the Board that an unexpected cost of \$60,000 would be occurred from Progress Energy/Duke to run the power for the pump station. Power is a necessity because the pump station has to be tested. This will take a 2 – 3 month process so they will need to get started ASAP.

Dash and Splash

Mayor Criscoe announced the next meeting for this event is May 14, at 7:00pm. We are hoping to make this event pull in the entire community and we will be featuring amusements and live music. Please come to this final meeting to show your support and lend a hand in making this event a success. He said Town Clerk Laura Morton found a dunking booth and he was looking for volunteers. He said the following is the tentative schedule:

- 8:00 a.m. Mayor's Mile
- 9:00 a.m. 8K
- 10:45 a.m. Award Ceremony
- 11:00 a.m. Ceremony

He said Ronald McDonald and Smokey the Bear are supposed to be there as well.

Voluntary Annexations: Martin Street

Mr. Lockhart said staff has held, with the assistance of Tommy Butler, a meeting to discuss the impacts of this voluntary annexation proposal with the residents of Martin Street and Lurie Drive. This meeting was primarily attended by residents of Lurie Drive. At the meeting we gathered almost all the signatures for residents of Lurie Drive. We are now working, with the assistance of Tommy Butler, on getting the signatures for Martin Street. He said 16 out of 30 have signed the petition and those are the ones that live there. He said we are close to being able to pull the trigger on this annexation. He said Tommy Butler has been a big help.

Commissioner Anderson asked if we had to have 100%. Mr. Lockhart said we would like to have a contiguous line when approaching voluntary annexation. He said the Town may have a hard time getting the vacant property owners to sign the petition because they really will not benefit from annexations positives (i.e. trash can pick-ups, lower utility bills, etc.)

Design and Development Workshop

This event was a great success. It would be great if some of the Commissioners that attended could share their thoughts. The by-product of this workshop will be presented to the board at the June 10th meeting. He said we had a great amount of success with citizen input/involvement at this Design Workshop.

Commissioner Blake said we were fortunate to have them. Commissioner Anderson and Commissioner Beard said the workshops were very informative.

Scheduling an Additional Budget Workshop

As noted at our last budget meeting, our 2012 CWMTF grant application has received provisional status. This means that our grant was selected for partial funding. We need to make a decision on accepting funding prior to the close of the fiscal year.

A motion was made by Commissioner Anderson, seconded by Commissioner Beard, and so the motion carried unanimously to schedule a meeting on Tuesday, May 28th at 7:00 p.m. to discuss the CWMTF grant application and also meet to discuss the Fire Department Budget.

They also have a Budget work session scheduled on May 20th at 7:00 p.m.

Incentives for two companies

At our June meeting we will be holding a public hearing to consider the granting of incentives for the jobs announced at Jordan Lumber and a potential industry being referenced as Skyfall (the State has named the project Skyfall and should be announced by the Governor's Office within 2 weeks). The state incentives for the Jordan Jobs announcement are contingent on local match. This match will be according to our existing Economic Development Policy. These hearings require publication of public notices. Mr. Lockhart also stated that the next line item is an update to the current Economic Development Incentive Policy; however, these proposed incentives are under the current Economic Development framework.

In the case of Jordan Lumber

\$1.4 million cap investment + 31 new jobs at a rate of 50%:

$1,405,000/100 \times .56 = \7868 taxes paid to Biscoe

x 5 years = \$39,340

x .50 incentive = \$19,670 (total for 5 years)

\$3,934 annually for 5 years.

In the case of Skyfall:

\$6 million cap investment + 40 jobs at a rate of 55%:

$6,000,000/100 = 60,000 \times .56 = \$33,600$ taxes paid to Biscoe

x 5 years = \$168,000

x .55 incentive = \$92,400 (total for 5 years)

\$18,480 annually for 5 years

Economic Development Incentive Policy Update

The County has approved their new Economic Development policy. We will hold a public hearing in June to consider adopting the same policy for the town. The Mayor asked if this would help Grede. Mr. Lockhart said he wasn't unsure, and that would have to be a discussion made with Ashley Cagle and Matthew Woodard.

Mayor/Commissioner/Department Head Reports

Commissioner Blake said he and County Commissioner Jackie Morris attended the groundbreaking for the new Council of Government office building in Kernersville. He also said he would be attending a three day work shop in Winston-Salem. He also said that Grede gave a \$5,000 donation to the Fire Department.

Commissioner Beard thanked the Police Chief and others for starting the Explorer Scout Group.

Town Manager Brooks Lockhart asked the Board to help promote the 8K Dash and Splash on Memorial Day Weekend.

Adjournment

There being no further business to bring before the Board, Commissioner Beard made the motion to adjourn, and Mayor Pro-tem Smith made the second. All voted in favor. Meeting adjourned at 8:15 p.m.

Mayor

Deputy Clerk

3. COMMUNITY DESIGN WORKSHOP REPORT FROM CENTER FOR CREATIVE ECONOMY/DESIGN LINK

MARGET COLLINS AND JASON EPLEY WILL BE ON HAND TO FACILITATE THIS PRESENTATION. THERE WILL BE TIME FOR QUESTIONS FOLLOWING THE PRESENTATION.

4. PUBLIC HEARINGS

SKYFALL INCENTIVE

FIRST, I WOULD LIKE THE BOARD TO NOTE THAT JORDAN LUMBER HAS RESCINDED THEIR REQUEST FOR INCENTIVES. THEY ARE STILL MOVING FORWARD WITH PRODUCTION AND ARE CURRENTLY EMPLOYING MANY WITHIN THEIR FACILITY IN BISCOE.

THE BELOW IS AN EXCERPT FROM THE PUBLIC NOTICE PUBLISHED ON MAY 29 AND JUNE 5 IN THE MONTGOMERY HERALD.

The Town proposes to provide an economic development incentive grant to a company. The grant amount would be determined as a percentage of ad valorem taxes on real and personal property paid by the company. The grant amount would be paid annually for a period of five years and would be equal to a rate of 55% of ad valorem taxes paid, should the company reach predicted investment and job creation benchmarks.

In consideration of the incentive grant, the company will invest at least \$6,000,000 in real and personal property and employ up to 40 permanent full-time (or full-time equivalent) jobs.

The source of the monies to fund the economic development incentive grant will come from the tax revenues paid by the company.

All action to be taken by the Town of Biscoe and will be in accordance with North Carolina General Statute 158-7.1 as an economic development project. The Mayor and Board of Commissioners believe this offer will result in the Company locating in the County, resulting in job growth for the county and region, and increasing the Town of Biscoe's current tax base.

HERE IS A ROUGH CALCULATION OF THE THE VALUE OF THE INCENTIVE, AS PROVIDED BY OUR CURRENT POLICY:
 $6,000,000/100= 60,000 \times .56= \$33,600$ taxes paid to Biscoe $\times 5$ years =
 $\$168,000 \times .55$ incentive = $\$92,400$ (total for 5 years); $\$18,480$ annually.

NEW ECONOMIC DEVELOPMENT INCENTIVE POLICY

THE NEW POLICY WHICH WAS ADOPTED BY MONTGOMERY COUNTY IS SHOWN BELOW. PLEASE COME PREPARE TO DISCUSS THIS POLICY AND TO CONSIDER ITS ADOPTION, SO OUR POLICY CAN REMAIN CONGRUENT WITH THE POLICY OF THE COUNTY.

Montgomery County Economic Development Incentive Policy

In accordance with the authority provided by North Carolina General Statute 158-7.1, the Montgomery County Board of Commissioners considers it beneficial to incentivize economic development that results from job creation and capital investment by new and existing businesses. The objective of this policy is to encourage job creation and expansion of the ad valorem tax base. In arriving at the amount of incentives a project receives, the Board may consider the expected increase in the ad valorem tax base, prospective increase in sales tax receipts and the economic contribution of additional wages to the local economy. For all projects, the Board must consider the viability and sustainability of the project and the extent to which providing incentives will serve the public purpose. In all cases covered herein, the Board must determine that the business location, retention or expansion would not occur but for the incentives.

All appropriations and expenditures pursuant to this policy shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of North Carolina General Statutes for counties and shall be listed in the annual financial report the county submits to the Local Government Commission. At the end of each fiscal year, the total expenditure for economic development incentives may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county as of January 1 preceding the beginning of the fiscal year. Any appropriation or expenditure pursuant to this policy must be approved by the Board of Commissioners after a public hearing. The county shall publish notice of the public hearing at least ten days before the hearing is held.

The guidelines herein are not binding and may be modified by the Board of Commissioners in evaluating individual projects.

New or existing businesses may qualify to receive a financial incentive grant based on the actual value, schedule and payment of ad valorem taxes paid for a period up to five tax years. The tax year is the calendar year. Businesses that do not pay ad valorem taxes will not qualify for any Montgomery County financial incentive program under this policy.

The Board of Commissioners considers that capital investment in real and business personal property and the creation of qualifying jobs will benefit the county through increasing the population, taxable property, agricultural or manufacturing industries or business prospects of the county. The Board will consider whether the project meets the public purpose test of providing jobs for displaced workers, attracting better paying and more highly skilled jobs, enlarging the tax base and diversifying the economy, and whether failure to provide incentives may result in the business choosing another location. Therefore, these guidelines may be applicable to a broad spectrum of businesses,

regardless of the North American Industrial Classification System (NAICS) code; including, but not limited to, industrial, agricultural, commercial and energy production.

A business may be eligible for incentives under one or more of the following circumstances:

1. Capital investment accompanied by creation of qualifying jobs.
2. Creation of qualifying jobs without capital investment.
3. A partnership between a landlord and tenant business where the landlord provides new capital investment in real property and the tenant provides accompanying qualifying jobs.
4. A partnership between a landlord and a new tenant who creates jobs in a building that has been unoccupied for twelve months or more.

These guidelines are not binding on the county, but may be used as the basis for a contract between the business and the county or the business, landlord and county, which, when executed, will be binding on all parties. Such contract shall clearly state the respective responsibilities of the county and the party/parties being incentivized, including provisions regarding remedies for a breach of responsibilities on the part of any participating party.

The Montgomery County Economic Development Corporation, in close cooperation with county staff, shall act as the agent for the county in developing incentive agreements recommended for approval by the Board of Commissioners. A cost-benefit analysis will accompany each recommendation. When a business wishes to apply for incentives, a baseline will be established for the ad valorem tax value of the applicant's applicable real and business personal property and the base employment level. These values will be obtained from the Montgomery County Tax Office and the North Carolina Department of Commerce. The base figures will be established for an agreed upon effective date in the base year of the agreement. Incentive awards will then be calculated on each anniversary of the effective date. When an existing business is retained or expanded through its purchase by a new owner, incentive eligibility for additional jobs or capital investment may be based on the ad valorem tax values of real and business personal property and the employment level existing at the selling company at the time of sale.

In all cases, the county will require the business to pay in full annually total ad valorem taxes due. If the business has met specific criteria as outlined in the formal agreement, an economic development incentive grant, based on a percentage of ad valorem taxes paid, will be paid to the business. No incentives will be paid unless the business is ongoing and progressing toward accomplishment of its investment and employment goals.

The amount of the incentive grant will be computed each year by comparing the company's ad valorem tax valuation to the base valuation; and comparing the number of qualifying jobs that have been in place for at least one year with the base employment level. The amount and period of the incentive grant will be based on actual values achieved and actual taxes paid in full.

Capital Investment with Job Creation:

The amount of capital investment shall be calculated as the net increase in the tax valuation of property. For companies purchasing buildings that have been vacant for one or more years, the incentive for capital investment may consider the entire ad valorem tax valuation of the property or the actual purchase price, whichever is less, as new investment.

Grants will be paid for a five year period. The minimum threshold for new capital investment with job creation is \$100,000 with one job, which would qualify for an incentive grant equal to 25% of the ad valorem taxes paid on new investment.

The incentive grant will be pro-rated up to a maximum equal to 80% of the ad valorem taxes paid for an investment of \$10,000,000 or more and 100 or more new jobs created.

| Number of New Jobs Created | | | |
|----------------------------|-----|------------|-------------------|
| New Investment | 1-5 | 6-24 | 25 to 100 or More |
| \$100,000 of More | 25% | 26% to 49% | 50% to 80% |

For example, a new investment of \$2M with 30 jobs created would receive an incentive grant equal to 52% of the ad valorem taxes paid on the \$2M each year for a period of five years, assuming the additional jobs are maintained.

Job Creation with No New Capital Investment:

The threshold for receiving incentives for job creation is one net additional qualifying job located in Montgomery County that remains in place for a minimum of one year (twelve month period). A qualifying job is one that is full time with a salary equal to or greater than the average wage for comparable positions in the county as reported by the North Carolina Department of Commerce, and with benefits that include the payment by the employer of at least 50% of medical insurance for the employee. The grant for job creation will be limited to \$1,000 per job or the following designated percentage of the ad valorem taxes paid, whichever is less.

| Number of Net New Jobs | Percentage of Tax as Grant | Number of Years Paid |
|------------------------|----------------------------|----------------------|
| 1 to 5 | 10% to 19% | 3 |
| 6 to 10 | 20% to 29% | 4 |
| 11 to 25 | 30 % to 39% | 5 |
| 26 or more | 40% | 5 |

Note: The number of jobs is computed each year and compared with the base year to determine the amount of incentive due, and the period for which it will be paid. The percentage of tax as a grant will be prorated based on the number of jobs created. For example, should a company be credited with a net increase of 20 jobs over the base employment level in any given year, the incentive would be 36% of the ad valorem taxes paid for that year, or \$20,000, whichever is less, and for a period of up to five years.

Landlord/Tenant Partnerships:

a. Should a landlord construct a building or make capital improvements to a building that enables a tenant to add jobs, the landlord and tenant may enter into an agreement for sharing economic development incentives based on the total ad valorem taxes paid for newly invested capital by both the landlord and tenant and the number of jobs created by the tenant. For example, should a landlord

erect an addition or make improvements to a tenant occupied building for a capital investment of one million dollars that results in the tenant creating an additional 10 jobs, an incentive grant equal to 31% of the additional ad valorem taxes paid would be shared for a period of five years by the partnership. The grant could be higher if either party also invests in additional business personal property.

b. In the case of a new business leasing a landlord owned building that has been vacant for a period of twelve months or more, the incentive grant to the landlord/tenant partnership may consider the total assessed value of the building.

2013-2014 BUDGET HEARING

A REVISED BUDGET MESSAGE WILL BE POSTED AND PROVIDED TO THE BOARD. AS OF THE EMAILING OF THIS PACKET WEDNESDAY JUNE 5TH, THE BUDGET MESSAGE AS PRESENTED ON MAY 28TH IS STILL UNDER REVISION.

THE BOARD MAY APPROVE THE BUDGET FOLLOWING THIS HEARING. AS NOTED LATER IN THE AGENDA, WE WILL NEED TO SCHEDULE A MEETING IN LATE JUNE FOR BUDGET AMENDMENTS; THE BOARD COULD ALSO ELECTED TO WAIT UNTIL THEN TO APPROVE THIS BUDGET. EITHER WAY, THIS BUDGET HEARING IS NEEDED AT THIS TIME.

CWMTF GRANT

AS SHARED WITH THE BOARD ON MAY 28TH, OUR 2012 CWMTF APPLICATION HAS BEEN APPROVED. FOLLOW OUR DISCUSSION, WE REQUESTED ALTERING OUR APPLICATION TO ELIMINATE OUR DRYING BED REHABILITATION AND ADD IN A GENERATOR FOR REDUNDANCY. THE CWMTF STAFF WERE AGREEABLE TO THESE REVISIONS AS THEY FELL WITHIN THE PURVIEW OF OUR INITIAL APPLICATION. I TASKED OUR ENGINEERING FIRM TO DEVISE A COST BREAK OUT OF THE REVISIONS. THEY ARE PROVIDED BELOW.

Attached is an excel file reflecting 3 separate "Opinions of Probable Cost" (as noted on the bottom tabs) dated 1/26/12, 1/28/13 and 5/17/13 for the Biscoe WWTP upgrade. The CWMTF current offer appears to be based upon our original application from the 1/26/12 opinion of cost. The 1/28/13 reflects an update of cost used in the application submitted this year.

The probable costs for the respective dates are summarized as follows:

| <u>Date</u> | <u>Probable Cost</u> | |
|-------------|----------------------|---|
| 1/26/12 | \$1,168,000 | (Original CWMTF Application with \$584,000 split between CWMTF & Town) |
| 1/28/13 | \$1,214,000 | (Updated cost submitted this year reflecting small cost adjustment for inflation) |
| 5/17/13 | \$1,225,000 | (Revised scope with deletion of sand drying beds and sampler and addition of generator/ATS) |

As you will note on the most recent 5/17/13 opinion of cost, this cost is reflects the 1/28/13 cost opinion with adjustments to add the emergency generator/automatic transfer switch and delete the effluent sampler and sand drying bed repairs from the project. While this is only a very preliminary estimate, the Town will be required to assume responsibility for the cost in excess of the \$584,000 grant by the CWMTF now projected to be \$640,000. If the Town chooses to recover the cost of the sampler as part of the funding, this cost should be added to the potential cost obligation of the Town.

I should also note, the sand drying beds will eventually need to be addressed and Sam Steward has pointed out an immediate need to provide the sludge storage tank with mixing/aeration in order to permit removal of waste solids from the storage tank. This is an operational issue that will need to be addressed outside of the CWMTF project.

PRICE BREAKOUT IS ATTACHED BELOW<ON NEXT PAGE>



W.K. Dickson & Co., Inc.
 Community Infrastructure Consultants
 616 Colonnade Drive
 Charlotte, NC 28205
 Phone (704) 334-5348 Fax (704)-334-0078

Opinion of Probable Costs

Project: Town of Biscoe WWTP Upgrade and Rehabilitation - Cost Reduction Option 1
Owner: Biscoe, North Carolina

WKD No: TBD
Date: 01/26/12

| ITEM | DESCRIPTION | UNIT | EST QTY | MATERIAL | LABOR | UNIT COST | TOTAL |
|------|--|------|---------|-----------|----------|--------------|-----------------------|
| 1 | Mobilization / Bonds/ Insurance @ 3% | LS | 1 | | | \$26,000.00 | \$26,000.00 |
| 2 | Flow Splitter Structure (10' x 10' x 10') | | | | | | |
| 2.1 | Conc. Base Slabs | CY | 11 | | | \$210.00 | \$2,310.00 |
| 2.2 | Conc. Walls | CY | 25 | | | \$260.00 | \$6,500.00 |
| 2.3 | Rebar @ 185 lbs/CY | TNS | 4 | | | \$1,325.00 | \$5,300.00 |
| 2.4 | Forming | SF | 975 | | | \$6.25 | \$6,093.75 |
| 2.5 | Excavation | CY | 400 | | | \$8.25 | \$3,300.00 |
| 2.6 | Downward Opening Weir Gates (24"x24") | EA | 2 | \$4,725 | \$1,890 | \$6,500.00 | \$13,000.00 |
| 3 | 60' Diameter Clarifier | | | | | | |
| 3.1 | Conc. Base Slabs | CY | 200 | | | \$210.00 | \$42,000.00 |
| 3.2 | Conc. Walls | CY | 105 | | | \$260.00 | \$27,300.00 |
| 3.3 | Conc. Launder Base | CY | 10 | | | \$260.00 | \$2,600.00 |
| 3.4 | Conc. Launder Wall | CY | 10 | | | \$260.00 | \$2,600.00 |
| 3.5 | Rebar @ 175 lbs/CY | TNS | 30 | | | \$1,325.00 | \$39,750.00 |
| 3.6 | Forming | SF | 5,800 | | | \$6.25 | \$36,250.00 |
| 3.7 | 60' Dia. Clarifier Equipment Cost | LS | 1 | \$108,000 | \$43,000 | \$151,000.00 | \$151,000.00 |
| 3.8 | Clarifier Control Panel | EA | 1 | \$8,000 | \$3,200 | \$11,200.00 | \$11,200.00 |
| 3.9 | Clarifier Weirs & Baffles | LS | 1 | \$8,000 | \$3,200 | \$11,200.00 | \$11,200.00 |
| 3.1 | Excavation | CY | 4,000 | | | \$6.25 | \$25,000.00 |
| 3.11 | Backfill | CY | 2,800 | | | \$12.50 | \$35,000.00 |
| 4 | Sudge Handling | | | | | | |
| 4.1 | Sudge Return Pkg Pump Station | EA | 1 | \$55,000 | \$16,500 | \$71,500.00 | \$71,500.00 |
| 4.2 | Wet Well for Sudge Return - 6' Dia MH | EA | 1 | | | \$12,500.00 | \$12,500.00 |
| 4.3 | 8" Force Main - RAS | LF | 100 | | | \$42.50 | \$4,250.00 |
| 4.4 | 12" DIP to Clarifier | LF | 200 | | | \$75.00 | \$15,000.00 |
| 5 | Equalization Basin | | | | | | |
| 5.1 | Conc. Base Slab | CY | 60 | | | \$210.00 | \$12,600.00 |
| 5.2 | Rebar @ 175 lbs/CY | TNS | 5 | | | \$1,325.00 | \$6,625.00 |
| 5.3 | Forming | SF | 1,600 | | | \$6.25 | \$10,000.00 |
| 5.4 | Piping / Valves | LS | 1 | | | \$21,000.00 | \$21,000.00 |
| 5.5 | Aerator Stands | EA | 3 | \$6,000 | \$3,000 | \$9,000.00 | \$27,000.00 |
| 5.6 | Sudge Removal | LS | 1 | | | \$21,000.00 | \$21,000.00 |
| 5.7 | 6' Dia. Pump Wet Well at Aeration basin | LS | 1 | | | \$10,500.00 | \$10,500.00 |
| 5.8 | Valve Vault & Valves | LS | 1 | | | \$12,500.00 | \$12,500.00 |
| 5.9 | Duplex Submersible Pumps & Controls | LS | 2 | \$5,000 | \$3,000 | \$8,000.00 | \$16,000.00 |
| 5.10 | Flow Meter (Clamp-on type) | LS | 1 | \$6,000 | \$3,000 | \$9,000.00 | \$9,000.00 |
| 5.11 | 4" DIP | LF | 100 | | | \$22.50 | \$2,250.00 |
| 5.12 | VFD for Pumps | EA | 2 | \$8,000 | \$2,000 | \$10,000.00 | \$20,000.00 |
| 6 | 12" Gate / Plug Aeration Basin Isolation Valves | EA | 2 | \$5,000 | \$1,500 | \$6,500.00 | \$13,000.00 |
| 7 | Mechanical Bar Screen | LS | 1 | | | \$90,000.00 | \$90,000.00 |
| 8 | Sand Drying Bed Expansion / Improvements | LS | 1 | | | \$40,000.00 | \$40,000.00 |
| 9 | Effluent Sampler | LS | 1 | 6,500 | 1,300 | \$7,800.00 | \$7,800.00 |
| | Subtotal | | | | | | \$868,928.75 |
| | Contingency | | approx. | | | 10% | \$87,071.25 |
| | Total Construction | | | | | | \$956,000.00 |
| | Planning & PER | | | | | | \$25,000.00 |
| | Surveying | | | | | | \$10,000.00 |
| | Engineering Design | | | | | | \$56,000.00 |
| | Permitting | | | | | | \$8,000.00 |
| | Bidding | | | | | | \$8,000.00 |
| | Construction Administration | | | | | | \$30,000.00 |
| | Construction Observation | | | | | | \$60,000.00 |
| | Grant Administration | | | | | | \$15,000.00 |
| | Legal / Land Acquisition | | | | | | \$0.00 |
| | Preliminary Total Opinion of Probable Costs | | | | | | \$1,168,000.00 |

\$584,000.00

WK Dickson's opinion of probable costs are made on the basis of WK Dickson's experience and qualifications and represent WK Dickson's best judgment as a professional generally familiar with the construction industry. Since WK Dickson has no control over the cost of labor, materials, equipment, or services furnished by others; over the contractor's methods of determining prices; or over competitive bidding or market conditions, WK Dickson cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from opinions of probable costs prepared by WK Dickson.

5. NC HIGHWAY 24/27 SCENIC BY-WAY DESIGNATION

THERE HAS BEEN A LOT OF INTEREST LATELY IN THE SCENIC BY-WAY DESIGNATION OF NC HIGHWAY 24/27 WITHIN THE CITY LIMITS OF BISCOE.

PART OF THE PROVISIONS OF THE SCENIC BY-WAY DESIGNATION IS THAT "OFF-PREMISE" SIGNS ARE PROHIBITED; OFF-PREMISE REFERS TO ANY SIGN THAT IS NOT PHYSICALLY LOCATED AT THE BUSINESS IN QUESTION. ADDITIONALLY, THIS WOULD MEAN DIRECTIONAL SIGNS WOULD NOT BE ALLOWED. SIGNS LIKE SHOPPING CENTER SIGNS ARE ALLOWED, AS THEY ARE LOCATED AT THE SHOPPING CENTER. THE TOWN OWNED SIGNS AT INDUSTRIAL DRIVE AND COGGINS ROAD ARE TECHNICALLY OUT OF COMPLIANCE. IT WAS DISCUSSED THAT THESE SIGNS ARE BOTH LOCATED ON TOWN OWNED PROPERTY AND ARE SERVING A PUBLIC PURPOSE. WE HAVE NOT RECEIVED A REQUEST FROM NCDOT TO REMOVE OUR CURRENT SIGNAGE. THIS "LOOPHOLE" WAS REQUESTED TO BE APPLIED TO A NEW SIGN FOR OUR SEDBERRY INDUSTRIAL PARK. NCDOT OFFICIALS IN RALEIGH DENIED THIS REQUEST.

TWO OF OUR LARGEST EMPLOYERS HAVE RECENTLY REQUESTED SIGNS TO ASSIST PEOPLE IN FINDING THEIR BUSINESSES (BOTH HAVE HAD RECENT EXPANSIONS/RE-LOCATIONS). REQUESTING THE REMOVAL OF THE SCENIC BY-WAY WITHIN THE TOWN WILL ALLOW US TO HAVE LOCAL CONTROL OVER OUR SIGNAGE. SINCE THIS IS NOT A SAFETY ISSUE I FEEL NO ETHICAL CONFLICT IN REQUESTING THIS LOCAL LEGISLATION. FOLLOWING REMOVAL OF THE DESIGNATION, THE TOWN ORDINANCE MEASURES FOR REGULATING SIGNAGE WILL NEED TO BE UPDATED.

6. PROJECT UPDATES **SEWER TO THE MEGAPARK**

WE HAVE RUN INTO A PROBLEM WITH ONE OF OUR EASEMENTS ON ONE OF THE FINAL SECTIONS OF THE FORCE MAIN PROJECT. ONE OF OUR EXISTING EASEMENTS FROM AROUND 1970 WAS DRAFTED AS A 7.5 FOOT EASEMENT ON BOTH SIDES WITH A TEMPORARY CONSTRUCTION EASEMENT OF 15 FEET. THE EXISTING EASEMENT WOULD BE DIFFICULT TO NAVIGATE AND

PLACE THE NEW FORCE MAIN WITHIN. THIS LACKING EASEMENT SHOULD HAVE BEEN DISCOVERED AND ADDRESSED AS PART OF THE DESIGN PHASE OF THE PROJECT. LUCKY, THERE IS PLENTY MORE PROJECT TO COMPLETE WHICH GIVES US TIME TO REMEDY THIS CONCERN.

THE PROPERTY OWNER IN QUESTION WAS APPROACHED ABOUT SELLING ADDITIONAL EASEMENT TO THE TOWN FOR MORE THAN DOUBLE THE MARKET RATE FOR THAT AREA. A TITLE SEARCH WAS PERFORMED AND THE CURRENT OWNER DOES NOT HOLD CLEAR TITLE. ADDITIONALLY, THE PROPERTY OWNER BECAME UPSET WHEN FAMILY WAS CONTACTED BY OUR ATTORNEY IN REGARDS OF THE TITLE SEARCH. THE PROPERTY OWNER HAS MADE CLAIMS THAT OUR EXISTING LINE IS NOT WITHIN THE EASEMENT (IT IS) AND HAS DEMANDED 4 TIMES THE PROPERTY VALUE TO ACCESS ANY EASEMENT. AS SUCH, OUR ATTORNEY ADVISED US TO CONSIDER GOING AROUND THIS 200 FOOT SECTION OF PROPERTY; IT WILL LIKELY BE THE CHEAPER ALTERNATIVE RATHER THAN DEALING WITH THE PROPERTY OWNER IN QUESTION. OUR ENGINEER IS WORKING WITH THE ATTORNEY TO PUT THIS NEW DIRECTION TOGETHER.

AT THIS TIME WE DO NOT HAVE A SET DATE ON THE BORE. AS NOTED LAST MONTH, WEATHER DEPENDENT, THERE WILL BE A BORE PIT IN AILEEN AVENUE, TO ALLOW CROSSING OF OLD US HIGHWAY 220. THIS BORE PIT WILL MEAN A DIFFERENT TRAFFIC PATTERN, WHICH WILL BE IN AFFECT UNTIL COMPLETION. AS A FIRM DATE APPROACHES, WE WILL BE NOTIFYING THE BOARD VIA EMAIL.

VOLUNTARY ANNEXATIONS: MARTIN STREET

WE ARE STILL LACKING SOME SIGNATURES. WE WILL CONTINUE TO WORK ON THIS ITEM. AT THIS POINT WE SHOULD WAIT UNTIL WE HAVE ALL THE SIGNATURES, RE-ADVERTISE AND HOLD A NEW PUBLIC HEARING. IF IT IS THE PLEASURE OF THE BOARD, THIS ITEM WILL BE REMOVED FROM THE AGENDA UNTIL ALL SIGNATURES ARE OBTAINED.

SCHEDULING OF A BUDGET MEETING FOR FISCAL YEAR 2012-2013 AMENDMENTS AND APPROVAL OF THE 2013-2014 BUDGET

WE NEED TO SCHEDULE A MEETING FOR OUR 2012-2013 BUDGET AMENDMENTS AND POSSIBLY APPROVAL OF THE 2013-2014 BUDGET. IT WOULD BE IDEAL TO HOLD, THIS EXTREMELY SHORT MEETING, AT THE END OF THE LAST WEEK IN JUNE.

7. PUBLIC FORUM

8. ADJOURNMENT