

Jody L. McLeod
MAYOR

Bruce Thompson
TOWN ATTORNEY

Steve Biggs
TOWN MANAGER



Bob Satterfield
Alex Harding
R.S. "Butch" Lawter, Jr.
Art Holder
COUNCIL MEMBERS

Michael Grannis
MAYOR PRO TEM

TOWN COUNCIL MEETING

JUNE 06, 2011

AGENDA

MAYOR AND TOWN COUNCIL

**MAYOR JODY L. MCLEOD
MAYOR PRO TEM MICHAEL GRANNIS
COUNCILMAN BOB SATTERFIELD**

**COUNCILMAN ALEX HARDING
COUNCILMAN R.S. "BUTCH" LAWTER, JR.
COUNCILMAN ART HOLDER**

TOWN STAFF

**STEVE BIGGS, TOWN MANAGER
SHERRY L. SCGGINS, TOWN CLERK
BRUCE THOMPSON II, TOWN ATTORNEY**

AGENDA
THE REGULAR MEETING OF THE CLAYTON TOWN COUNCIL

MONDAY, JUNE 6, 2011
7:30 PM

THE CLAYTON CENTER
COUNCIL CHAMBERS

1. **CALL TO ORDER**
Pledge of Allegiance
Invocation – Mayor Jody L. McLeod
2. **ADJUSTMENT OF THE AGENDA**
3. **CONSENT AGENDA**
(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Council may request to have an item removed from the consent agenda for further discussion.)
 - a. Draft minutes from the May 16, 2011, work session meeting; draft minutes from the May 16, 2011, closed session; and draft minutes from the May 24, 2011, budget work session.
 - b. Proclamation for Flag Day.
 - c. Proclamation for Adopt a Pet Month.
 - d. Warranty acceptance for South Tech Park/Harvest Mill Lane for the public water, sewer, and associated storm drainage utilities.
4. **INTRODUCTIONS AND SPECIAL PRESENTATIONS**
5. **PUBLIC HEARINGS**
 - a. Public hearing for the Town’s Fiscal Year 2011-2012 budget.
 - b. Evidentiary hearing for special use permit request SUP 2011-17 for Life Spring Academy located at Wellspring Community Church on Short Johnson Road.
6. **OLD BUSINESS**
 - a. Wastewater allocation request for Spring Branch Medical located on NC 42 HWY West and adjacent to Johnston Medical Center.
7. **NEW BUSINESS**
 - a. Ordinance amendments to the Fiscal Year 2010-2011 budget:
 - 2009A GO Bond Recreation Project
 - Sam’s Branch Sewer Outfall Project
 - Wastewater Treatment Plant Upgrade – Phase 1
 - Electric Fund Power Purchase
 - Water & Sewer Fund Debt Service

8. STAFF REPORTS

- a. Town Manager
- b. Town Attorney
- c. Town Clerk
 - Calendar of Events
- d. Other Staff

9. OTHER BUSINESS

- a. Informal Discussion & Public Comment.
- b. Council Comments.
- c. Closed session to discuss real estate acquisition in accordance with NC GS 143-318.11 (a) (5).

10. ADJOURNMENT

TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET

Agenda Item: 3a

Meeting Date: 6/06/11

TITLE: DRAFT MINUTES FROM THE MAY 16, 2011, WORK SESSION;
DRAFT MINUTES FROM THE MAY 16, 2011, CLOSED SESSION;
AND DRAFT MINUTES FROM THE MAY 24, 2011, BUDGET WORK
SESSION.

DESCRIPTION: Attached.

RELATED GOAL: Administrative

ITEM SUMMARY:

Date:

Action:

Info. Provided:

6-06-11

Approval.

DRAFT minutes from the
May 16, 2011, work session
& May 24, 2011, budget work
Session.

*****DRAFT minutes from the
May 16, 2011, closed session
Will be hand-delivered.***

**MINUTES
CLAYTON TOWN COUNCIL
MAY 16, 2011**

The second regular meeting of the Clayton Town Council for the month of May was held on Monday, May 16, 2011, at 7:30 PM at Town Hall, 111 East Second Street.

PRESENT: Mayor Jody L. McLeod, Mayor Pro Tem Michael Grannis, Councilman Bob Satterfield, Councilman R. S. "Butch" Lawter Jr., Councilman Alex Harding, and Councilman Art Holder.

ALSO PRESENT: Steve Biggs, Town Manager; Brenton McConkey, Town Attorney; Sherry Scoggins, Town Clerk; Nancy Medlin, Deputy Town Manager; David DeYoung, Planning Director; Larry Bailey, Parks & Recreation Director; Susie (Jenkins) Paschal, Recreation Program Supervisor

ITEM 1. CALL TO ORDER

Mayor McLeod called the meeting to order at 7:30 PM and led the Pledge of Allegiance. Mayor McLeod gave the invocation.

ITEM 2. ADJUSTMENT OF THE AGENDA

Mayor Pro Tem Grannis requested to add as Item 10d, Closed Session to discuss a personnel matter in accordance with NC GS 143-318.11(a)(6).

It was the consensus of the Council to approve the agenda with the requested adjustment(s).

ITEM 3. ACTION AGENDA

Councilman Harding motioned to approve the action agenda as presented; Councilman Lawter seconded the motion. The motion carried unanimously with the following action agenda items being approved at 7:32 PM:

- Item 3a. Draft minutes from the May 2, 2011, regular meeting and draft minutes from the May 2, 2011, closed session meeting.
- Item 3b. Public notice for public hearing on the Town's Fiscal Year 2011-2012 budget slated for Monday, June 6, 2011.
- Item 3c. Public notice for evidentiary hearing on special use permit request SUP 2011-17 slated for Monday, June 6, 2011.

ITEM 4. INTRODUCTIONS & SPECIAL PRESENTATIONS

- Item 4a. Introduction of new Town of Clayton employee(s).

No introductions were made.

Item 4b. Presentation of East Clayton Off-Leash Dog Owner Park proposal.

Parks & Recreation Director Larry Bailey recognized the members of the Dog Park Committee. He added this group was formed in the fall and the members are very passionate and dedicated. He provided the following PowerPoint presentation; herewith attached.

Based upon question by Council, Parks & Recreation Director Bailey stated the potential sponsorship money is a projection and the amenities have flexibility. He stated as an example the benches could be the recycled plastic or wooden and built by an eagle scout. He added if the funds are not generated other alternatives will be evaluated.

Based upon question by Council, Parks & Recreation Director Bailey stated the asphalt apron into the parking lot from the road is an NCDOT item and was not incorporated into this proposal.

Councilman Harding stated his thanks to the group and for the detail that was provided to the Council. He added he thinks this will be a classy dog park.

Based upon question by Council, Parks & Recreation Director Bailey stated the dollar figure for the man hours by Town of Clayton staff was estimated by Public Works & Utilities Director Tim Simpson. He stated much of the budgeted numbers are for contract labor. He stated the Town does have a crew that can do the concrete pads.

Based upon question by Council, Town Manager Biggs stated the driveway entrance into the park is estimated between \$15,000 and \$20,000.

Councilman Satterfield stated dogs need sidewalks also. He stated any concrete work should come out of the sidewalk funds. He clarified the bridge and the sidewalks come out of the sidewalk fund and not the recreation fund.

Town Manager Biggs stated it could come from the fund designated by the Council. He added the plan for paying for this project is any surplus bond money from the East Clayton Community Park would go towards this project. He stated the alternative is a capital reserve fund fee collected from developers.

Councilman Lawter thanked the Dog Park Committee for its work. He stated he realizes this is a place for both people and dogs to socialize. He stated he does not know of a project in which \$40,000 would serve so many.

Councilman Holder stated he asked the Town Manager what would keep the Town from going ahead with this project and his response was authorization from the Council.

Councilman Holder motioned to authorize proceeding with the dog park.

Councilman Satterfield questioned if the Town Manager is comfortable moving forward monetarily.

Town Manager Biggs stated this would be funded through bond proceeds remaining from the East Clayton Community Park or the recreation in lieu fees collected from developers. He stated based on the estimates, he is comfortable using the bond proceeds and the recreation fees in lieu funds reserve for this purpose. He stated if authorization were received in advance of the bids, then funds could be allocated from the fees in lieu for this purpose.

Councilman Satterfield seconded Councilman Holder’s motion.

Mayor Pro Tem Grannis motioned to suspend the rules in order to vote on this item; Councilman Harding and Councilman Lawter simultaneously seconded the motion. Motion carried unanimously at 8:09 PM.

Mayor McLeod stated before proceeding with the motion and second on the floor he wanted to make a few comments. He stated when this first began this was not a concept that was embraced. He stated Clayton being the “Premier Community for Active Families” recognizes pets as part of the family. He added he sees this as a marketing tool for the Town in recruiting business to Clayton. He stated in searching for sponsors, to go beyond Clayton. He stated specialists outside of Clayton have funding for this type of project and this would make them aware of what Clayton has.

Mayor Pro Tem Grannis thanked Parks & Recreation Director Larry Bailey for the presentation and thanked the Dog Park Committee for the work done. He stated he is pleased to see this moving forward.

Mayor McLeod announced there is a motion and a second to authorize proceeding with the dog park.

All Council members voted in favor of the motion at 8:13 PM.

Parks & Recreation Director Larry Bailey stated his thanks. He stated this will be an attractive amenity for the Town to promote.

ITEM 5. ITEMS SCHEDULED FOR THE REGULAR MEETING AGENDA

- Item 5a. Presentation of special use permit request SUP 2011-17 for Life Spring Academy located at WellSpring Community Church on Short Johnson Road.

Planning Director David DeYoung provided a PowerPoint presentation on special use permit request SUP 2011-17:

PLANNING DEPARTMENT

SUP 2011-17
LifeSpring Academy

Request:

- ◆ Special Use Permit to allow the addition of a private school (K-12) within the existing WellSpring Community Church located at the southeast corner of Short Johnson Road and NC 42 HWY W



PLANNING DEPARTMENT

LifeSpring Academy

Site Data:

- ◆ 14.39 acre parcel
- ◆ Office-Institutional (O-I) Zoning District
- ◆ Currently occupied by existing one-story church (approved 2002)
- ◆ 8,460 SF
- ◆ 290 seats



PLANNING DEPARTMENT



LifeSpring Academy

Site Improvements:

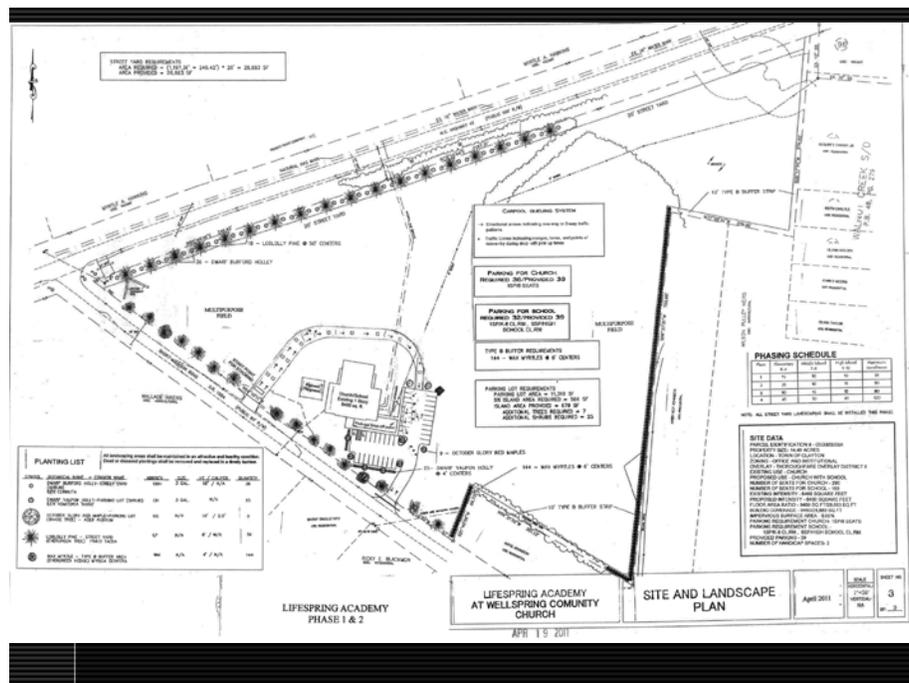
- ◆ The proposed school will utilize existing site improvements and facilities and will be phased

Landscaping:

- ◆ Additional vegetation being added to parking lot and buffer along Short Johnson Road

Access:

- ◆ Two existing approved entrances from Short Johnson Road





LifeSpring Academy

Phasing:

- ◆ Phase 1 (year 1): Projected enrollment of 25-35 students, maximum of 35.
- ◆ Phase 2 (year 2): Projected enrollment of 40-50 students, maximum of 50.
- ◆ Phase 3 (year 3): Projected enrollment of 60-80 students, maximum of 80.
- ◆ Phase 4 (year 4 and beyond): Projected enrollment of 100-120 students, maximum of 120.



LifeSpring Academy

The proposed development is generally consistent with:

- ◆ Strategic Growth Plan
 - Balanced growth - development location / infrastructure availability / roadway access
- ◆ Unified Development Code
 - The proposed use is consistent with the UDC with Special Use Permit
 - Applicant has addressed Findings of Fact
- ◆ Surrounding Land Uses
 - Minimal to no additional impact

PLANNING DEPARTMENT

LifeSpring Academy



Both the Planning Board and staff is recommending approval subject to the following Conditions of Approval:

1. The school shall provide the Planning Department with the actual enrollment each year for years 1 – 4 by the 10th day of school.
2. The school shall provide the Planning Department with an updated projected enrollment (for years/Phases 2 through 4) at the end of each school year.

PLANNING DEPARTMENT

LifeSpring Academy



Conditions of Approval:

3. At the end of Phase 2 and prior to Phase 3, a Traffic Impact Analysis (TIA) meeting the Town's standards shall be submitted to the Planning Department for review and approval.
4. Prior to the issuance of a Zoning Compliance Permit, the Town shall inspect the church/school for compliance with applicable regulations.

Mayor McLeod stated he has a concern about traffic going from two lanes to one lane. He stated he noticed no additional infrastructure was requested.

Planning Director DeYoung stated the queuing from two lanes to one lane is so that all children are getting out on the curb side and there is no crossing in front of vehicles.

Mayor McLeod questioned the traffic.

Planning Director DeYoung stated the volume for LifeSpring Academy is less than the volume at West Clayton Elementary.

Mayor Pro Tem Grannis questioned what will ensure the traffic impact analysis (TIA) will take place.

Planning Director DeYoung stated it will be a condition and the enrollment will be capped until the TIA is completed. He stated the applicant intends to phase over time and staff will ensure the conditions are monitored.

Councilman Holder stated he noticed 13 classes and he only sees 10 classrooms.

Planning Director DeYoung stated the applicant intends to use the sanctuary space for classrooms. He stated the intent is to use moveable walls for an open classroom concept.

Mayor McLeod stated West Clayton uses the open classroom floor plan.

Item 5b. Presentation of proclamation for Flag Day.

It was the consensus of the Council to place this item on the consent agenda.

Item 5c. Presentation of proclamation for Adopt a Pet Month.

It was the consensus of the Council to place this item on the consent agenda.

Item 5d. Presentation of warranty acceptance for South Tech Park/Harvest Mill Lane for the public water, sewer, and associated storm drainage utilities.

It was the consensus of the Council to place this item on the consent agenda.

ITEM 6. ITEMS CONTINGENT FOR THE REGULAR MEETING

No Items Contingent for the Regular Meeting were presented.

ITEM 7. ITEMS FOR DISCUSSION

No Items for Discussion were presented.

ITEM 8. OLD BUSINESS

No old business was presented.

ITEM 9. STAFF REPORTS

Item 9a. Town Manager

- Distribution of proposed FY 11-12 Town of Clayton Operating Budget.

Town Manager Steve Biggs provided an overview of year-to-date revenues and expenditures. He added this update has been requested monthly.

Based upon question by Council, Town Manager Biggs stated the general fund monthly number is for half of the month as it is through the 16th. He added he is positive the Town will finish with surplus revenue.

Town Manager Biggs stated the pre-qualification process has been completed for the East Clayton Community Park project. He stated the bid specifications will be distributed this Wednesday to the contractors who have pre-qualified. He stated there will be a mandatory pre-bid meeting on Wednesday, June 1st and a bid opening on Thursday, June 9th at 2 PM.

Town Manager Biggs stated the budget message is informative and more time was put into the department cover sheets. He stated transaction detail is included in the operating budget. He stated a comprehensive presentation will be made at the budget work session. He added this is a conservative budget and the restorations are highlighted. He stated questions and comments received will be addressed and shared with the group.

Item 9b. Town Attorney

Town Attorney Brenton McConkey stated no additional report.

Item 9c. Town Clerk

Town Clerk Sherry Scoggins announced the following events:

- Budget work session, Tuesday, May 24, 6 PM, Fire Station One - Horne St
- Public Forum on Scenic HWY Overlay District, Thursday, May 26, 6:30 – 8:30 PM, Council Chambers
- Public Forum on Scenic HWY Overlay District, Thursday, June 9, 6:30 – 8:30 PM, Council Chambers

Item 9d. Other Staff

Other staff did not have a report.

ITEM 10. OTHER BUSINESS

Item 10a. Informal Discussion & Public Comment.

James Lipscomb stated his thanks to the Council for the leadership shown for the dog park. He stated he hopes another one will be done on the other side of Town soon.

Item 10b. Council Comments.

No Council comments were presented.

Item 10c. Planning Board Highlights of the April 2011 meeting.

The Planning Board Highlights were distributed as information.

Item 10d. Closed session to discuss a personnel matter in accordance with NC GS 143-318.11 (a)(6).

Mayor Pro Tem Grannis motioned to go into a closed session to discuss a personnel matter; Councilman Lawter seconded the motion. Motion carried unanimously at 8:39 PM.

Councilman Lawter motioned to return to open session; Mayor Pro Tem Grannis seconded the motion. Motion carried unanimously at 9:02 PM.

ITEM 11. ADJOURNMENT

With there being no further business brought before the Council, Councilman Satterfield motioned to adjourn; Councilman Holder seconded the motion. Motion carried unanimously at 9:02 PM.

Duly adopted by the Town Council this ____ day of June 2011, while in regular session.

ATTEST:

Jody L. McLeod,
Mayor

Sherry L. Scoggins, MMC,
Town Clerk

**MINUTES
BUDGET WORK SESSION - CLAYTON TOWN COUNCIL
MAY 24, 2011**

The budget work session meeting of the Clayton Town Council was held on Tuesday, May 24, 2011, at 6:00 PM at Fire Station One, 325 West Horne Street.

PRESENT: Mayor Jody L. McLeod, Mayor Pro Tem Michael Grannis, Councilman Bob Satterfield, Councilman R.S. "Butch" Lawter Jr, Councilman Alex Harding, and Councilman Art Holder.

ALSO PRESENT: Steve Biggs, Town Manager; Sherry Scoggins, Town Clerk; Nancy Medlin, Deputy Town Manager; David DeYoung, Planning Director; Lee Barbee, Fire Chief; Tim Simpson, Public Works & Utilities Director; Ronnie Wood, Electric System Director; Glen Allen, Police Chief; Robert McKie, Finance Director; Catherine Whitely, Human Resources Director; Betty Coats, Library Director; Larry Bailey, Parks & Recreation Director; Ann Game, Customer Service Supervisor; Johnny Stanley, Purchasing Agent

NEWS MEDIA: Brian Rapp of the Clayton News-Star

CALL TO ORDER:

Mayor McLeod called the meeting to order at 6:03 PM.

Town Manager Steve Biggs acknowledged the experience and knowledge of the management team. He stated this year the budget was delegated with more responsibility for meeting the financial obligations of the Town and the management team exceeded what was asked. He stated ten years ago the challenge of the budget was growth and four years ago the challenge of the budget was a down economy.

**FINANCIAL PERSPECTIVE PRESENTATION BY DEPUTY TOWN MANAGER
NANCY MEDLIN & TOWN MANAGER STEVE BIGGS:**

Deputy Town Manager Nancy Medlin provided the following PowerPoint presentation:

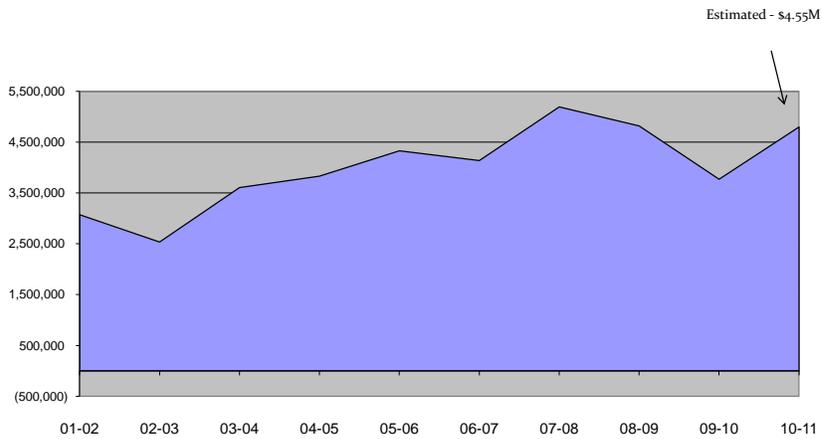
Town of Clayton

FY 11-12 Budget Work Session
Presentation

Historical Fund Balance Information

- FY 08-09 = 37.59% of budgeted expenditures
- FY 09-10 = 24.01% of budgeted expenditures
- Reduction: \$1M outstanding receivables (CAT Access Road Project)
- Goal by Policy = 21%
- Average NC Municipalities: 37.79%
- Average NC Municipal Electric Providers : 33.61%

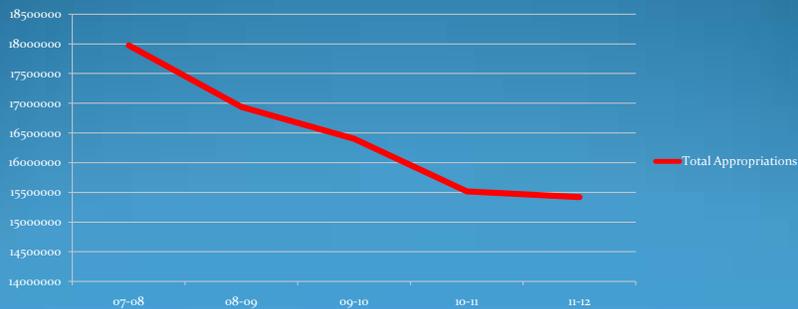
Town of Clayton
 Trend Analysis of Available Fund Balance

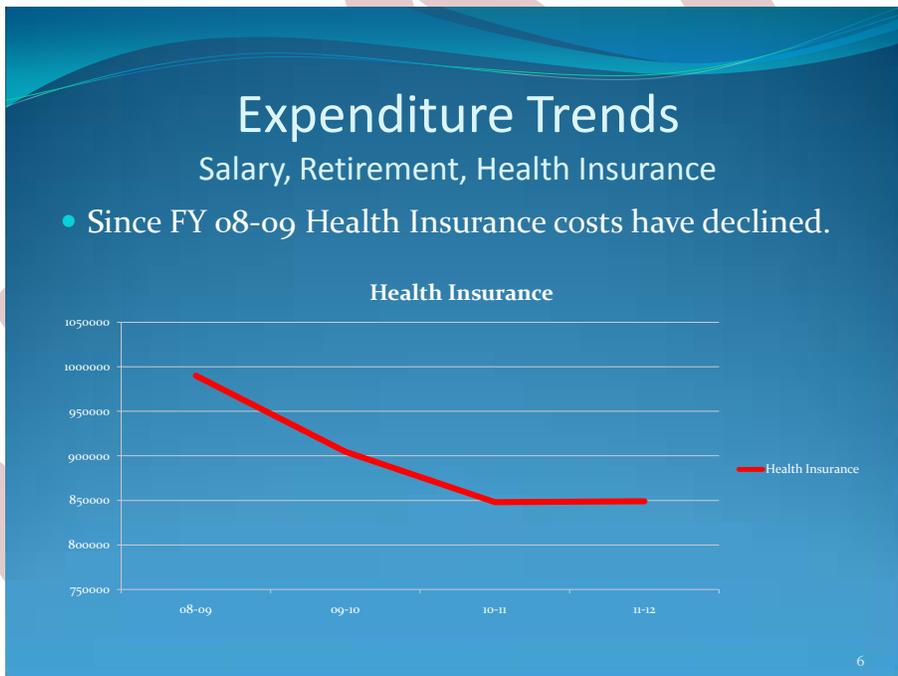


Budgetary Appropriation Trends
 General Fund

- Budgetary Expenditure appropriations have declined steadily since FY 07-08

Total Appropriations





Expenditure Trends

Salary, Retirement, Health Insurance

- Declines due to:
 - Success of Wellness Program
 - Reduction in force (FY 10-11)
 - Restructured Health Insurance Benefit/ Increased deductible with use of HRA

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Expenditure Trends

Salary, Retirement, Health Insurance

- Since FY 08-09 retirement expenditures have steadily increased.

Retirement Cost per Employee
Mandated by State

Fiscal Year	Retirement Cost per Employee
08-09	2200
09-10	2350
10-11	2800
11-12	3300

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Expenditure Trends

Salary, Retirement, Health Insurance

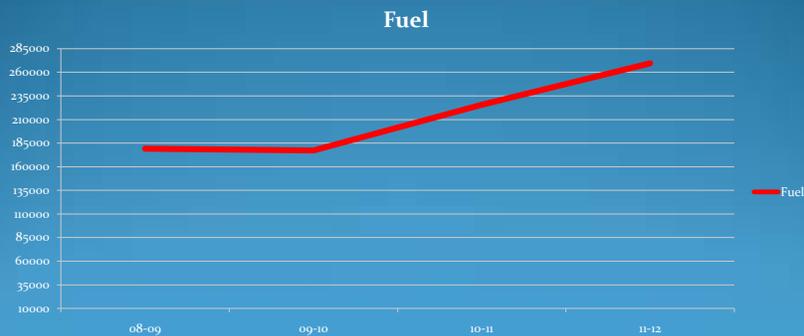
- Increases due to increases in state mandated employer contribution rates.
- Rates increased by 200 basis points for FY 10-11, and by 53 basis points for FY 11-12, which translates to an annual average of just under **\$1,000** per employee.

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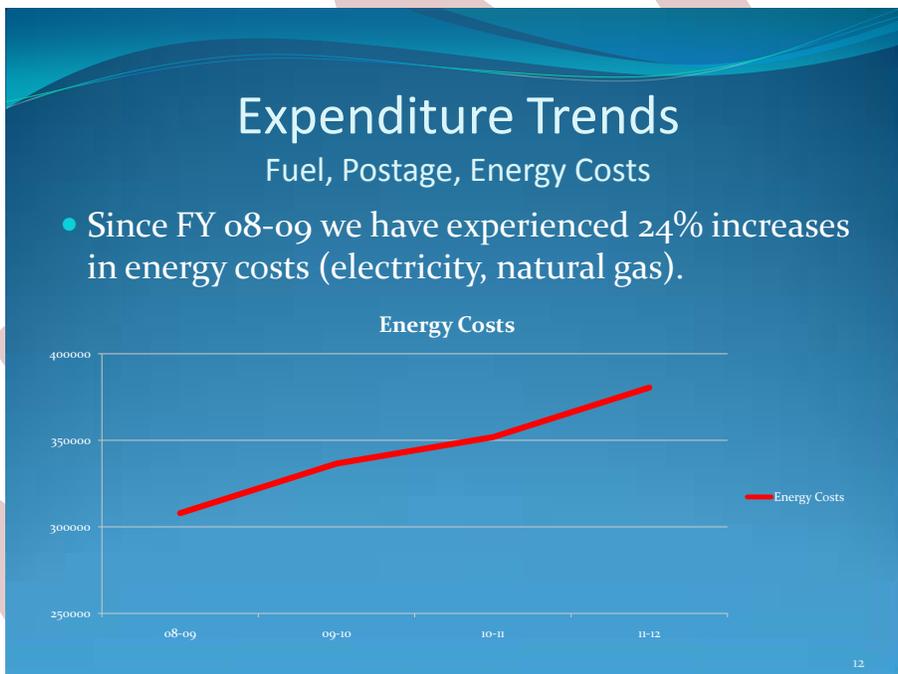
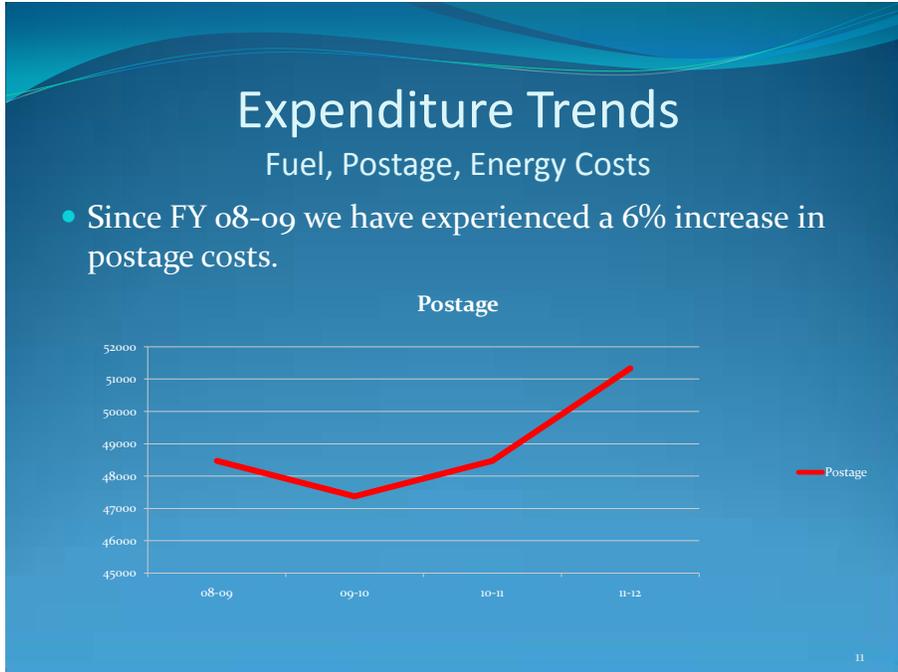
Expenditure Trends

Fuel, Postage, Energy Costs

- Since FY 08-09 we have experienced a 34% increase in fuel costs.



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Revenue Trends

- Since FY 09-10 Building Permit revenues have steadily declined.



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Revenue Trends

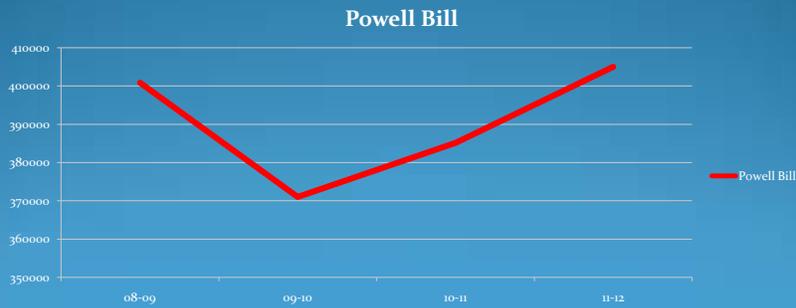
- Sales Tax revenues have declined since FY 08-09 and still have not recovered to the FY 08-09 level.



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Revenue Trends

- FY 11-12 is the first year Powell Bill revenues are projected to meet or exceed the revenue level from FY 08-09.



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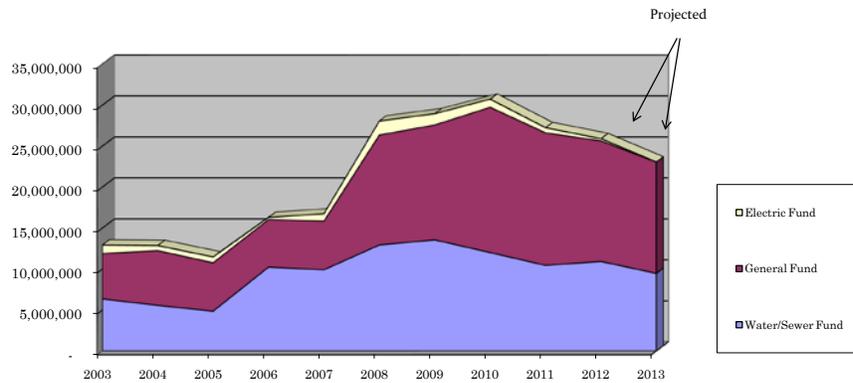
Revenue Trends

- FY 11-12 is the first fiscal year General Fund revenues are projected to meet or exceed the levels from FY 08-09.



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Town of Clayton Analysis of Outstanding Debt



Changes in Outstanding Debt

FY 10-11

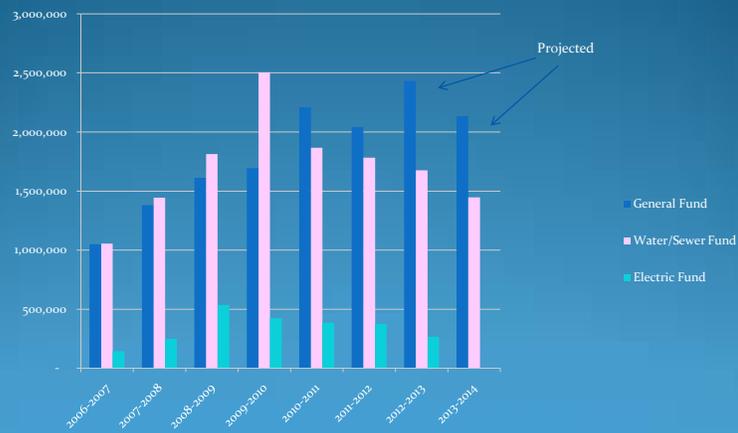
- General Fund Additions - \$6.070M in for Law Enforcement Center financing, \$297,000 for rolling stock
- Water/Sewer Fund Decrease - \$1.563M
- Electric Fund Decrease - \$361K

Debt Analysis

- -Clayton debt per capita = \$1,398
- -Statewide debt per capita = \$2,138

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Debt Service – All Funds



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Based upon question by Council, Town Manager Steve Biggs stated the Town set aside a lump sum of money of \$75,000 for employee health insurance. He stated the Town will finish within the allocation this year and those funds will be moved to a benefit reserve fund account for future similar use.

Deputy Town Manager Nancy Medlin stated the \$75,000 is an appropriation that is used when needed.

Town Manager Biggs added the funds expended from the \$75,000 this fiscal year were due to illness not related to the Wellness program initiative.

PRESENTATION BY TOWN MANAGER STEVE BIGGS:

Town Manager Steve Biggs provided the following PowerPoint presentation:

Town of Clayton

FY 11-12 BUDGET WORK SESSION
MAY 24, 2011

Background- FY 10-11 EOY

- **Each Fund Should Finish with a Modest Surplus this Fiscal Year.**
- **General Fund**
 - Modest estimated surplus in State Shared Revenues
 - Attractive Surplus in Permits and Fees
 - Savings in Salaries, Operating Expenses, Programs
 - Estimated EOY surplus of \$185,000. (Change from \$61k FB appropriation in prior year budgeted.)

Background- FY 10-11 EOY

- **Water and Sewer Fund**
- Modest overall surplus for EOY.
- Perhaps \$150,000
- Growth in revenue from Sales= \$1.1M
- Growth in permits & fees= \$150,000
- Adopted Budget FY 10-11 had \$194,000 FB appropriated.

Background- FY 10-11 EOY

- **Electric Fund**
- Growth in Sales= \$450,000 over prior year.
- Reduction in operating expenses= \$80,000
- Estimated Surplus= \$200,000

Summary: FY 11-12

- **Major Items**
 - Real Property Revaluation & Rate Reconciliation (Every 8 yrs.)
 - Very minor restorations of prior year cuts.
 - Very modest Capital Outlay.
 - ✦ Reduced \$300,000 from each of past two prior FY's,
 - ✦ Reduced \$500,000 from FY 08-09 levels.
 - Solid Waste
 - ✦ No Fee Increase plus service enhancements.
 - Electric Rates- No Increase
 - Water/Sewer Rates-
 - ✦ Minor Increase (spurred by wholesale costs.)

Property Revaluation

- **-Statutory Requirement- Every 8 years**
 - By County Tax Assessor
- **Typically Values Increase**
- **Property Tax Calculation- Multiple Variables (Value, Rate)**
- **Statute 159.11 (e)- Calculate an Adjusted Rate**
 - Illustrate “revenue neutral”
 - NOT Required to Adopt Revenue Neutral- Must Illustrate

Revenue Neutral Tax Rate Calculation Statutory Language

- In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.
- **But wait- There's More!**

Revenue Neutral Tax Rate Calculation Process

- To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

NCGS 159.11 (e)

Let's Break This Down to Manageable Pieces

Revenue Neutral Calculation

- “First determine a rate that would produce revenues equal to those produced for the current fiscal year...”
 - Current Year Revenue= \$6,179,800 (levy)
 - Estimated New Tax Base= \$1,297,158,622 (real property)
 - Simple Calculation- Divide Revenue By Base
 - $6,179,800 / [1,297,158,622 / 100] = .476$

Revenue Neutral Calculation

- “...then increase the rate by a **growth factor** equal to the **average annual percentage increase** in the tax base due to improvements since the last general reappraisal...”
 - Average Growth Rate= 7.33%
 - How do we know that?
 - [Calculation](#) of average annual % increase
 - Tax Rate (.476) plus average increase (7.33%)= .51

Revenue Neutral Tax Rate

- “The budget officer shall **further adjust** the rate to account for any annexation, deannexation, merger, or similar event.”
 - Annexation / Growth Value Since Last Revaluation
 - ✦ \$413,170,556
 - Loss of revenue from “other” property (reduced tax rate)
 - ✦ Personal Property
 - ✦ Motor Vehicles
 - ✦ Public Service (Utilities)
 - [Calculation](#)

Another Important Variable

- **Sprint / Nextel**
 - 2008 Single Largest Tax Payer in Town of Clayton
 - Stored Equipment Value= \$173,512,706
 - Levy in 2008= \$936,968

 - 2011 Value= \$14,688,225
 - Levy in 2011= \$77,113

 - Loss in Levy from One Source= \$859,855 per year

Noteworthy FY 11-12 Budget Items

- **Items Proposed for Restoration**
 - **Employee Schedule Reductions**
 - ✦ Construction Inspector (\$14,401)
 - ✦ Police Records Clerk (\$10,431)
 - **Property Maintenance Technician (\$37,440)**
 - **July 4 Celebration (\$15,000 in Recreation Costs)**
 - **TJ COG Membership**
 - ✦ \$5,310- Reduced from \$5,590

Noteworthy Items

- **Items Previously Cut, Not Proposed for Restoration**
 - **Positions**
 - ✦ In-house custodial (3 positions)
 - ✦ GIS Technician
 - ✦ IT Director
 - ✦ Customer Service Clerk (One FT cut, one FT reduction to PT)
 - ✦ Accounting Services Supervisor
 - ✦ Warehouse Specialist
 - ✦ Chief Code Enforcement Official
 - ✦ Building Inspector

Noteworthy Items

- **Items Previously Cut, Not Proposed for Restoration**
 - Library- Book Budget (Reduced from \$40k to \$25k)
 - Library- Reduced Hours of Operation
 - Arts Grant Program (Reduced from \$25k to \$10k)
 - Special Appropriations (Charitable Support)
 - Newsletter
 - Fire Department Alpha-Numeric Pagers
 - Fire Department Insurance Deductible Increase
 - Employee Insurance Supplement
 - Tuition Reimbursement Program

Noteworthy Budget Items

- **New Budget Items**
 - Artist in Residence Program (\$15,000)
 - Stormwater Management Program (\$32,000: Add to current)
 - Engineering Services Restructure (\$3,200)
 - Electric Operations Restructure (\$13,200)
 - Main Street Conference (\$12,000 cost, est. \$5,000 in revenue)
 - Parks & Recreation Plan Update (\$25,000- Deferred FY 10-11)
 - Unemployment Expense (\$32,848 plus \$32,429 pre-funded)
 - CLEC Operational Expense (\$60,621)
 - Final Year: Hospice Donation (\$25,000)
 - NC 42 east Electric Line Project (\$233,000)
 - Employee Bonus Compensation (**See Next Section**)

Compensation Proposal

- **Two Percent One Time Bonus**
- **Background**
 - No COLA for FY 09-10, FY 10-11
 - No Merit Awards for FY 09-10, FY 10-11
 - No market study since 2007. Some positions not evaluated since 2005.

Compensation Proposal

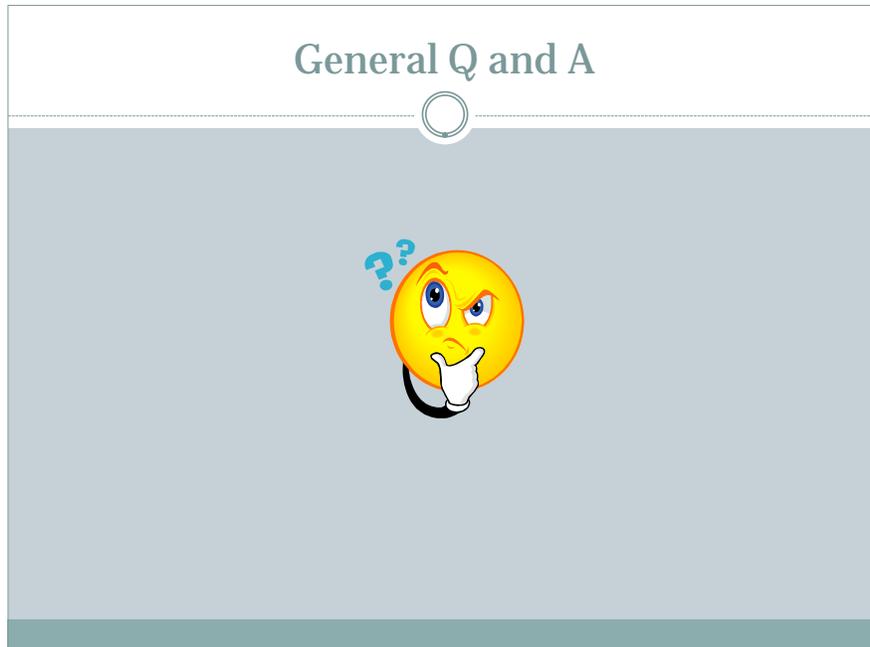
- **Increased Costs for Employees**
 - Insurance Supplement Eliminated (\$65 / mo.)
 - Increased Premiums for Dependent Coverage (\$35 / mo.)
 - CPI
 - ✦ 2009= 2.7%
 - ✦ 2010=2.1%
 - ✦ 2011= 1.7% projected to December
 - Fuel and Food Cost Trends Exceed Measured CPI.

Compensation Proposal

- **Advantages of Bonus**
 - Lump Sum Payment is Very Popular
 - Does Not Build to Base Budget for Future Years
 - Can Be Timed for Distribution Based on Conditions
 - ✦ Distribute December 2011 for July 1 and Dec 1 employee base
- **Cost By Fund**
 - General Fund= \$134,017
 - Water/Sewer Fund=\$14,699
 - Electric Fund= \$12,408
 - Total= \$161,124

Provided Q and A Items

- **Council Questions- As Submitted.**
- **Replies For Distribution and Limited Discussion as Deemed Necessary.**



QUESTIONS AND ANSWERS – GENERAL:

Town Manager Steve Biggs stated he distributed responses for the budget questions posed by Council. He added if there are more questions to send those to him.

Town Manager Biggs stated staff is proposing to increase compensation to the Johnston County SPCA of Clayton. He stated the current fee per animal is \$50 and the proposed fee per animal is \$65.

Mayor McLeod stated he noticed the debt for electric is declining.

Deputy Town Manager Nancy Medlin stated the Town spends money up front on the infrastructure prior to receiving revenues for service.

Town Manager Steve Biggs stated this is the fourth consecutive year the budget does not request an electric rate increase. He added there is a difference between Town of Clayton debt versus bonds issued by Electricities.

Based upon question by Council, Town Manager Biggs stated when the Town of Clayton reaches maximum capacity for electricity then the Council will determine if it wants to purchase more capacity.

Based upon question by Council, Town Manager Steve Biggs stated the percentage of revenues received by the Town from commercial users for water and sewer is skewed because of the pharmaceuticals.

Town Manager Steve Biggs acknowledged the support of the Council.

On behalf of the Council, Mayor McLeod expressed appreciation to Town staff. He stated the Council knows employees have taken on more responsibility while providing good customer service. He stated he hears the compliments about the service provided by the Town employees.

OTHER BUSINESS:

No other business was presented.

ADJOURNMENT

As there was no other business to come before the Town Council, the budget work session was adjourned at 7:10 PM.

Duly adopted by the Town Council this ____ day of June 2011 while in regular session.

ATTEST

Jody L. McLeod,
Mayor

Sherry L. Scoggins, MMC
Town Clerk

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 3b

Meeting Date: 6/6/11

TITLE: PROCLAMATION FOR FLAG DAY.

DESCRIPTION: Proclaim June 14, 2011, as Flag Day.

RELATED GOAL: Administrative

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
5-16-11	Presentation.	Proclamation.
6-06-11	Approval.	Proclamation.

TOWN OF CLAYTON PROCLAMATION - FLAG DAY

WHEREAS, by Act of Congress of the United States dated, June 14, 1777, the first official Flag of the United States was adopted; and

WHEREAS, in 1916, a grass roots movement resulted in President Woodrow Wilson issuing a proclamation that called for a nationwide observance of Flag Day on June 14; and

WHEREAS, on August 3, 1949, President Harry Truman signed an Act of Congress designating June 14 of each year as "National Flag Day;" and

WHEREAS, the American flag is also affectionately known as "Old Glory" or "star-spangled banner;" and

WHEREAS, the thirteen stripes commemorate the original 13 colonies and the 50 stars represent each state of the Union; and

WHEREAS, Flag Day celebrates our nation's symbol of unity and democracy, and stands for our country's devotion to freedom to the rule of all, and to equal rights for all.

NOW, THEREFORE, LET IT BE PROCLAIMED by the Honorable Mayor and Town Council of the Town of Clayton, North Carolina, that June 14, 2011, be recognized as "**Flag Day**" and we urge all citizens to celebrate Flag Day by flying the Stars and Stripes from their homes and other suitable places.

Duly proclaimed this 6th day of June 2011, while in regular session.

Jody L. McLeod,
Mayor

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 3c

Meeting Date: 6/06/11

TITLE: PROCLAMATION FOR ADOPT A PET MONTH.

DESCRIPTION: Proclaim June as Adopt a Pet Month.

RELATED GOAL: Administrative

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
5-16-11	Presentation.	Proclamation.
6-06-11	Approval.	Proclamation.

**TOWN OF CLAYTON
PROCLAIMING JUNE 2011 AS
ADOPT A PET MONTH**

WHEREAS, the Johnston County SPCA of Clayton provides a safe haven for lost, injured, homeless and abandoned animals in our community and surrounding area; and

WHEREAS, the Johnston County SPCA of Clayton is a 501-C3 (non-profit) organization staffed by volunteers; and

WHEREAS, the Johnston County SPCA has been located within the Town of Clayton at 720 Durham Street since August 1987; and

WHEREAS, dogs and cats are a source of companionship providing friendship and unconditional love; and

WHEREAS, the goal of the Johnston County SPCA of Clayton is to place homeless dogs and cats in loving and permanent homes; and

WHEREAS, the Johnston County SPCA of Clayton seeks to match dogs and cats with prospective owners;

WHEREAS, the Town Council recognizes the value of the Johnston County SPCA of Clayton and the services it provides to our furry friends.

NOW, THEREFORE, the honorable Mayor and Town Council of the Town of Clayton, North Carolina, do hereby proclaim June 2011 as

ADOPT A PET MONTH IN THE TOWN OF CLAYTON

And urge citizens seeking the rewards of pet ownership responsibility to visit the Johnston County SPCA of Clayton.

DULY PROCLAIMED this 6th day of June 2011 while in regular session.

Jody L. McLeod,
Mayor

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 3d

Meeting Date: 6/06/11

**TITLE: WARRANTY ACCEPTANCE FOR SOUTH TECH PARK / HARVEST
MILL LANE FOR THE PUBLIC WATER, SEWER, AND ASSOCIATED
STORM DRAINAGE UTILITIES.**

DESCRIPTION: Attached.

RELATED GOAL: Administrative

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
5-16-11	Presentation.	Memorandum.
6-06-11	Approval.	Memorandum.

TOWN OF CLAYTON OPERATIONS CENTER

"SERVICE"

ELECTRIC SERVICE
(919) 553-1530

VEHICLE MAINTENANCE
(919) 553-1530



"ENVIRONMENT"

PUBLIC WORKS
(919) 553-1530

WATER RECLAMATION
(919) 553-1535

MEMORANDUM

To: Sherry Scoggins, Town Clerk

From: Chris Rowland, Construction Inspector *CR*

Copy: Steven Sanderson, PE, Sanderson Engineering

Date: April 12, 2011

Re: South Tech Park / Harvest Mill Lane

Please place a warranty acceptance request for the subject public water, sewer, and associated storm drainage utilities on the next available agenda. Record drawings have been reviewed and accepted. Following acceptance, the lines will be subject to a one-year warranty period. Subsequently, a final inspection will be done and any deficient items corrected prior to final acceptance.

received
4-13-2011 *DRS*

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 5a

Meeting Date: 6/06/11

TITLE: PUBLIC HEARING FOR FY 2011-2012 TOWN OPERATING BUDGET.

DESCRIPTION: Public hearing to receive public comment on the Fiscal Year 2011-2012 Town Operating Budget.

RELATED GOAL: Financially Responsible Town Government Providing Quality Service.

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
5-16-11	Presentation.	
5-24-11	Budget Workshop.	
6-06-11	Public Hearing.	

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 5b

Meeting Date: 6/06/11

TITLE: EVIDENTIARY HEARING FOR SPECIAL USE PERMIT REQUEST SUP 2011-17 FOR LIFE SPRING ACADEMY LOCATED AT WELLSRING COMMUNIYT CHURCH ON SHORT JOHNSON ROAD.

DESCRIPTION: The applicant is seeking a special use permit for a private K-12 school located within the O&I zoning district.

The applicant held a neighborhood meeting on April 7, 2011.

At the Planning Board's April 25, 2011, meeting, all Planning Board members voted in favor of recommending the special use permit with the four conditions as presented.

RELATED GOAL: Manage Growth Producing Quality Developments.

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
5-16-11	Presentation.	Application, Exhibit A, Letter from Dawn Parker, Letter from Lead Pastor Bobby Austin, Staff Report, Map, and Site Plans.
6-06-11	Evidentiary Hearing.	SUP Hearing Procedures, Application, Exhibit A, Letter from Dawn Parker, Letter from Lead Pastor Bobby Austin, Staff Report, Map, Site Plans & Motion Form.

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 6a

Meeting Date: 06/06/11

TITLE: WASTEWATER ALLOCATION REQUEST FOR SPRING BRANCH MEDICAL LOCATED ON NC HWY 42 WEST AND ADJACENT TO JOHNSTON MEDICAL CENTER.

DESCRIPTION: At its April 6, 2009, Council meeting, Council approved annexation petition 2009-02-01 and planned development request PDD 08-08 for Spring Branch Medical.

RELATED GOAL: Administrative

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
03-16-09	Presentation and & Public Notice.	
04-06-09	Public Hearing.	
06-06-11	Discussion.	Memorandum.

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 7a

Meeting Date: 6/06/11

**TITLE: ORDINANCE AMENDMENTS TO THE FISCAL YEAR 2010-2011
BUDGET:**

- 2009A GO BOND RECREATION PROJECT
- SAM'S BRANCH SEWER OUTFALL PROJECT
- WASTEWATER TREATMENT PLANT UPGRADE – PHASE I
- ELECTRIC FUND POWER PURCHASE
- WATER & SEWER FUND DEBT SERVICE

DESCRIPTION: Attached.

RELATED GOAL: Financially Responsible Town Government Providing Quality Service.

ITEM SUMMARY:

<u>Date:</u>	<u>Action:</u>	<u>Info. Provided:</u>
6-06-11	Approval.	Ordinance Amendments (5).

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 8c

Meeting Date: 6/06/11

TITLE: TOWN CLERK

DESCRIPTION: Calendar of Events:

- Town Square Concert Series: Nantucket – Thursday, June 2, 2011 from 7 PM to 9 PM
- Clayton Visual Arts Faire – Saturday, June 4, 2011, from 10 AM to 4 PM at Horne Square
- Council Mtg – Monday, June 6, 2011 @ 7:30 PM Downtown Development
- Public forum on the proposed Scenic Highway Overlay (SHO) regulations – Thursday, June 9, 2011; 6:30 PM to 8:30 PM at the Clayton Center Council Chambers
- Association Mtg – Monday, June 13, 2011 @ 7:30 PM in Room GS 223
- ~~Board of Adjustment Mtg – Wednesday, June 15, 2011 @ 6 PM - Cancelled~~
- Town Square Concert Series: Johnny Orr Band – Thursday, June 16, 2011 from 7 PM to 9 PM
- Council Mtg – Monday, June 20, 2011
- Planning Board Mtg – Monday, June 27, 2011 @ 7 PM
- Independence Day Holiday – Monday, July 4, 2011
- Clayton Library Board Mtg – Thursday, July 14, 2011 @ 4:30 PM at the Hocutt-Ellington Library, 100 South Church Street
- Council Mtg – Monday, July 18, 2011 @ 7:30 PM
- Board of Adjustment Mtg – Wednesday, July 20, 2011 @ 6 PM
- Town Square Concert Series: Craig Woolard Band – Thursday, July 21, 2011 from 7 PM to 9 PM
- Planning Board Mtg – Monday, July 25, 2011 @ 7 PM
- Council Mtg – Monday, August 1, 2011 @ 7:30 PM
- Downtown Development Association Mtg – Monday, August 8, 2011 @ 7:30 PM in Room GS 223
- Council Mtg – Monday, August 15, 2011 @ 7:30 PM
- Board of Adjustment Mtg – Wednesday, August 17, 2011 @ 6 PM
- Town Square Concert Series: Central Park Band – Thursday, August 18, 2011 from 7 PM to 9 PM
- Planning Board Mtg – Monday, August 22, 2011 @ 7 PM
- 2011 ElectriCities Annual Conference – August 25 – 27, 2011; Grove Park Inn Asheville
- Labor Day Holiday – Monday, September 5, 2011
- Council Mtg – **TUESDAY**, September 6, 2011 @ 7:30 PM
- Town Square Concert Series: The Castaways – Thursday, September 15, 2011 from 7 PM to 9 PM
- Council Mtg – Monday, September 19, 2011 @ 7:30 PM
- Board of Adjustment Mtg – Wednesday, September 21, 2011 @ 6 PM

- Planning Board Mtg – Monday, September 26, 2011 @ 7 PM
- Council Mtg – Monday, October 3, 2011 @ 7:30 PM
- Clayton Library Board Mtg – Thursday, October 6, 2011 @ 2:30 PM at the Hocutt-Ellington Library, 100 South Church Street
- Downtown Development Association Mtg – Monday, October 10, 2011 @ 7:30 PM in Room GS 223
- Council Mtg – Monday, October 17, 2011 @ 7:30 PM
- Board of Adjustment Mtg – Wednesday, October 19, 2011 @ 6 PM
- 2011 North Carolina League of Municipalities (NCLM) Annual Conference – October 23 -25, 2011; Raleigh
- Planning Board Mtg – Monday, October 24, 2011 @ 7 PM
- Clayton Farm and Community Market: Season Closes – Saturday, October 29, 2011, 9 AM – 2 PM, at the Clayton Town Square
- Council Mtg – Monday November 7, 2011 @ 7:30 PM
- Veteran’s Day Holiday – Friday, November 11, 2011
- Downtown Development Association Mtg – Monday, November 14, 2011 @ 7:30 PM, site TBA
- Board of Adjustment Mtg – Wednesday, November 16, 2011 @ 6 PM
- Council Mtg – Monday, November 21, 2011 @ 7:30 PM
- Thanksgiving Day Holiday – Thursday, November 24, 2011 & Friday, November 25, 2011
- Planning Board Mtg – Monday, November 28, 2011 @ 7 PM
- Council Mtg – Monday December 5, 2011 @ 7:30 PM
- Downtown Development Association Mtg – Monday, December 12, 2011 @ 7:30 PM in Room GS 223
- Council Mtg – Monday, December 19, 2011 @ 7:30 PM
- Board of Adjustment Mtg – Wednesday, December 21, 2011 @ 6 PM
- Christmas Holiday – Monday, December 26, 2011 & Tuesday, December 27, 2011
- Planning Board Mtg – **WEDNESDAY**, December 28, 2011 @ 7 PM

Date:
6-06-11

Action:
N/A.

Info. Provided:
Calendar of Events.

**TOWN OF CLAYTON
TOWN COUNCIL
AGENDA COVER SHEET**

Agenda Item: 9c

Meeting Date: 06/06/11

TITLE: CLOSED SESSION TO DISCUSS REAL ESTATE ACQUISITION IN ACCORDANCE WITH NC GS 143-318.11 (A) (5).

DESCRIPTION: Discussion.

RELATED GOAL: Administrative

ITEM SUMMARY:

Date:

Action:

Info. Provided:

06-06-11

Discussion.