

Minutes  
Special Called Meeting  
Aberdeen Town Board

February 21, 2011  
Monday, 5:30 p.m.

Robert N. Page Municipal Building  
Aberdeen, North Carolina

The Aberdeen Town Board met Monday, February 21, 2011 at 5:30 p.m. for a Special Called Meeting. Members present were Mayor Elizabeth B. Mofield, Mayor Pro-tem Robbie Farrell and Commissioners Pat Ann McMurray, Jim Thomas, Alan Parker, and Walter Wright. Staff members in attendance were Attorney T.C. Morphis, Planning Director Kathy Liles, Town Manager Bill Zell, and Town Clerk Regina Rosy.

Mayor Mofield called the meeting to order. Manager Zell stated the purpose of tonight's meeting is to consider approval of the service plan for the annexation. Planning Director Liles distributed a copy of the power point presentation for tonight's meeting. Planning Director Liles stated the report components include a boundary map, qualification tests, land use pattern, water and sewer trunk lines and interceptors, plans to extend services, impact of fire protection and insurance rates, effect on finance and services, effect on revenue, and description of area.

Planning Director Liles stated there are 16 annexation areas which include the Legacy Links Golf Course, The Pit Golf Course, commercial properties including McNeill Oil, Hampton Inn, and BG Sundries, and residential properties including Paint Hill and Forest Hills.

Planning Director Liles went over the qualification tests for small and large cities (Parts 2 and 3). Commissioner Wright asked if the Town has met all of those qualifications. Planning Director Liles stated the annexation report contains both Part 2 and Part 3 qualification standards with the exception of Area Q, which is The Pit Golf Course, which is solely proposed under Part 3 due to the need for a land bridge. Planning Director Liles stated Area Q will not qualify under Part 2.

Planning Director Liles stated all services have to be looked at in the annexation report. Planning Director Liles stated fire service is already provided in all but one annexation area which is Legacy Links Golf Course. Planning Director Liles stated police service will be extended upon annexation.

Planning Director Liles stated solid waste would become available subject to policy (but there are limits for commercial use). Planning Director Liles stated if water and sewer are not

already available, then it would be subject to the adopted policy. Planning Director Liles stated when the entirety of a street is added in, then the street can be added to the Powell Bill.

Planning Director Liles explained the types of residential revenues which include ad valorem (property), sales tax (per capita), utility franchise and excise tax, video programming tax, telecommunications tax, Powell Bill, and solid waste collection fees. Planning Director Liles also explained the types of nonresidential revenues which include ad valorem, utility franchise and excise, video programming, telecommunication, and solid waste if it meets the criteria.

Planning Director Liles stated the projected expenses for the annexation areas would include police protection, fire protection, street maintenance, solid waste collection (garbage, limb, and debris), water service, sewer service, and one time extensions of water and sewer. Planning Director Liles stated depending on usage, water and sewer rates decrease by just under one half when a property converts from out-of-town to in-town rates. Planning Director Liles stated this decrease in water and sewer revenue, would be an additional expense to the Town not included in the annexation report.

Planning Director Liles stated the fire tax goes to zero on the county tax bill and the service is included in city taxes.

Planning Director Liles stated Area A is the southern half of the Hampton Inn Property. Planning Director Liles stated the property is unincorporated and contiguous with 40.7% common boundary, and is a commercial use. Planning Director Liles stated water and sewer, police and fire are already provided services to this area. Planning Director Liles stated the ISO fire rating would improve from a Class 5 to Class 4. Planning Director Liles stated there would be a revenue increase of \$36,961 per year, and the cost would be \$6,635 per year (reduction in fire tax), which would be \$30,326 increase in revenue per year.

Mayor Mofield asked if the revenue is for property tax. Planning Director Liles stated the revenue includes solid waste collection fees, ad valorem tax, and property tax. Costs include police, fire, water, sewer, and sanitation.

Planning Director Liles explained the Hampton Inn has not been paying town taxes on the building since the building opened. Attorney Morphis stated the Town could bill the Hampton Inn for the past 3 years, since they obtained their Certificate of Occupancy, for the appropriate taxes due. Mayor Mofield suggested giving Bonnie McPeake a choice to either pay out of town water rates or back property taxes, for the past 3 years. Attorney Morphis stated he wasn't sure if the Town could charge back utility charges, but he knows the Town can charge back property taxes. Mayor Mofield asked Attorney Morphis to look into that issue.

Planning Director Liles stated Area B is a residential lot at Robbins and Magnolia. Planning Director Liles stated Area B passes the qualification test since it is unincorporated and is contiguous with a 94.1% common boundary and a residential use that is less than three acres in size. Planning Director Liles stated water and sewer already exists to the site, the proposed area is within the fire district, and police already service the area. Planning Director Liles stated the fire ISO rating would improve to a Class 4. Planning Director Liles stated there would be a revenue increase of \$1,777 per year, and a service cost of \$163 per year, which would give a total increase in revenue of \$1,614 per year.

Planning Director Liles stated Area C is located on Michael Lane. Planning Director Liles stated Area C passed the qualification test since it is unincorporated and contiguous with a 67% common boundary and a residential use that is less than three acres in size. Planning Director Liles stated water and sewer already exists to the site, the proposed area is within the fire district, and the police already service the area. Planning Director Liles stated the fire ISO rating would improve to a Class 4. Planning Director Liles stated there would be a revenue increase of \$2,129 per year, a service cost of \$237 per year, which would give a total increase in revenue of \$1,892 per year.

Planning Director Liles stated Area D is located on Paint Hill and Bethesda. Planning Director Liles stated Area D passed the qualification test since it is unincorporated and contiguous with a 22% common boundary, and 75% of the lots are used for residential purposes with all properties being less than three acres. Planning Director Liles stated water service already exists, and subject to a petition for sewer, a line would need to be extended below Bethesda. Planning Director Liles stated Area D is already within the fire district and police are already in the vicinity. Planning Director Liles stated the fire ISO rating would improve to a Class 4. Planning Director Liles stated the sewer line is across the street on Alexander Drive and the way the annexation report is drafted at this time, says that the Town will extend sewer lines to this property. Planning Director Liles stated there is a one time capital cost of \$78,450 to extend the sewer lines. Planning Director Liles stated there would be a revenue increase of \$5,127 per year, a service cost of \$511 per year, with a balance revenue increase of \$4,616 per year. Commissioner Parker wanted clarification on the options the Town has regarding sewer service. Attorney Morphis stated if the trunk line is extended, then it would have to go under the road. Attorney Morphis stated if it is a service line, then it would not be extended until sewer service is petitioned. Mayor Mofield stated she thought it was the law to extend sewer service to any area that is annexed.

Commissioner Wright thought the policy stated if the sewer failed, then you had to hook up to Town sewer if you were in the Town limits. Planning Director Liles clarified that if the line is there, and the sewer fails, then property owners do have to hook up. Attorney Morphis stated the annexation report up for approval tonight includes the one time capital cost of

\$78,000 for extending the sewer line. Attorney Morphis stated a decision will need to be made tonight regarding this issue before approval of this report. The Board agreed to call the existing line a service line, which means the Board would not have to pay the \$78,000 to run a trunk line. Planning Director Liles stated Benchmark and the Town's engineer will revise the annexation report.

Planning Director Liles stated Area E is McNeill Oil and it meets the qualification test with a 62.1% common boundary and 100% developed for commercial purposes. Planning Director Liles stated water and sewer services already exist, the property is located within the fire district, and the police are already in the vicinity. Planning Director Liles stated the fire ISO rating would improve to a Class 4. Planning Director Liles stated there would be a revenue increase of \$1,944 per year, a service cost of \$407 per year, with a total increase in revenue of \$1,537 per year.

Planning Director Liles stated Areas F-P are the Legacy Links Golf Course. Planning Director Liles stated Areas F-P meet the qualification test with a contiguity ranging from 59.3 – 100% common boundary, and 100% is developed for commercial purposes. Planning Director Liles stated this would be a new service area for fire and there would be a positive effect on response time for the proposed annexation area. Planning Director Liles stated the fire ISO rating would go from a Class 7 in the Crestline District to a Class 4 in Aberdeen's district. Attorney Morphis clarified that each separate golf hole is a separate area. Planning Director Liles stated there would be a revenue increase of \$22,068 per year, a service cost of \$4,259 per year, and a net increase of revenue of \$17,809 per year. Planning Director Liles stated the proportional share to Crestline is \$21,295 over 5 years on a debt service of \$125,863. Commissioner Wright asked if we take over Crestline would the ISO rating change for that area. Planning Director Liles stated she would investigate and let everyone know what she finds out.

Planning Director Liles stated Area Q is The Pit Golf Course and requires Part 3 qualification. Planning Director Liles stated the land bridge has to qualify and it does with 83.6% contiguous and constitutes 16.6% of the allowable annexation area of the maximum of 25%. Planning Director Liles stated the property is 100% developed for commercial purposes. Planning Director Liles stated the water and sewer trunk lines are existing, police are already in the vicinity, and fire service is already in the area. Planning Director Liles stated the ISO rating would go from Class 5 to Class 4. Commissioner Thomas pointed out this property is now owned by Mr. Dedman. Planning Director Liles stated she goes by the tax records when sending out letters to property owners.

Planning Director Liles stated in summary, all proposed annexation properties satisfy either Part 2 or Part 3 of the annexation statutes. Planning Director Liles stated upon petition, as proposed the cost to connect the Paint Hill area for sewer would be approximately \$78,450.

Legacy Links would be removed from the Crestline Fire District resulting in the potential for financial loss compensation for up to 5 years. Planning Director Liles stated the total net increase in revenue would be \$79,890 per year including all forms of revenue.

Mayor Mofield thought the expenses were under estimated. Mayor Mofield asked if sanitation costs were included in the estimated expenses. Planning Director Liles stated no, the costs were considered too insignificant, because in some cases the sanitation trucks are already in the same area picking up garbage. Mayor Mofield stated the justification for this annexation process would be to close up some doughnut holes, but revenue wise, she doesn't see any justification.

Commissioner Wright asked if there is any news on annexations in the legislature. Manager Zell stated annexations will be discussed again this upcoming Wednesday in the legislature.

Commissioner McMurray stated she feels it is hard to tell at this time what other development may take place on the Randall Moss property. Planning Director Liles stated the Town could allow for future developers to pay for the line. Commissioner McMurray and Commissioner Wright felt paying the \$78,000 would be an investment for the Town. Commissioner McMurray and Commissioner Wright felt it would be cheaper to put in the trunk line now under the road, rather than later. Mayor Mofield stated her argument, would be, what if nobody even wants to tie on and the money is just wasted?

Commissioner Parker asked for Manager Zell's opinion on spending the \$78,000. Manager Zell stated he does not think the Town needs to pay for the \$78,000. Planning Director Liles recommended that if the Randall Moss property ever develops, then the developer could possibly share a part of the cost.

A motion was made by Commissioner Parker, seconded by Mayor Pro-tem Farrell, to contact Benchmark to revise the services plan and remove the \$78,000 expense, with the trunk line running to Alexander Drive only and adopt the services plan as amended. Commissioner Wright asked for clarification that a contractor would pay for any future expense for running water/sewer lines. After some further discussion, motion was withdrawn by Commissioner Parker.

A motion was made by Commissioner Parker, seconded by Mayor Pro-tem Farrell, to amend service report D to reflect the trunk link to service the Paint Hill annexation area runs to the manhole at the end of Alexander Drive, and that a service line could be extended in the future to Paint Hill pursuant to the Town's Water and Sewer Policy; and further that the Board moves to adopt the 2011 Annexation Report as amended. Motion unanimously carried.

A motion was made by Commissioner Parker, seconded by Mayor Pro-tem Farrell, to go into Closed Session pursuant to N.C.G.S. 143-318.11(a)(3) to consult with the Town Attorney to preserve the attorney/client privilege. Motion unanimously carried.

The Board returned from Closed Session.

With no further items for discussion, a motion was made by Commissioner Parker, seconded by Commissioner Wright, to adjourn the meeting. Motion unanimously carried.

---

Regina M. Rosy, Town Clerk

Minutes were completed in  
Draft form on March 11, 2011

---

Elizabeth B. Mofield, Mayor

Minutes were approved  
on March 14, 2011