



Chatham County, NC

Meeting Minutes

Board of Commissioners

Tuesday, November 21, 2023

9:00 AM

Agriculture and Conference Center

CIP Work Session

BOARD PRIORITIES

Present: 5 - Vice Chair Mike Dasher, Commissioner David Delaney, Chair Karen Howard, Commissioner Franklin Gomez Flores and Commissioner Katie Kenlan

[23-5030](#)

Review and discuss FY25-31 Recommended Capital Improvements Plan

Attachments: [FY 2025-2031 CIP Work Session Final](#)

County Manager Dan LaMontagne welcomed the Commissioners and turned it over to Budget Director Darrell Butts.

Mr. Butts asked Finance Officer Roy Lynch to introduce Denise Martin, the new Deputy Finance Officer.

Mr. Butts pointed out the supplemental handouts distributed.

- Proposed Timeline for CIP FY2025 2031*
- Project construction start timeline*
- Projects tied to Plan Chatham Goals*

Mr. Butts reviewed the agenda for the meeting.

Chair Howard asked if there is some portion of the Justice Center shell space project that would be paid for by the Administrative Office of the Courts. Mr. Butts said the project would be fully funded by the County.

Commissioner Gomez Flores asked how the CIP would be affected if the Board were to separate out the property taxes of the commercial projects coming to the county. Mr. Butts said they don't know what the total value would be at build-out. WolfSpeed and VinFast have incentive agreements with them, and a lot of that money will be going back to them. Mr. LaMontagne said whatever property tax they pay reverts back to them instead of going into the capital reserve. Mr. Butts said this is just a cash allocation of things not otherwise restricted. Currently, staff is asking the financial consultants to look at the CIP. There will likely be some change in FY 27 due to a borrowing fueled by the new elementary school at Chatham Park. Staff would be using last year's data. Mr. LaMontagne said staff can look at the economic development projects in Chatham and bring the Board data once they have it. Mr. Butts said schools and jails are the gold stars when the County goes to borrow because counties are required to have jails and schools.

Chair Howard asked if the water capital reserve accumulates. Mr. Butts said yes.

SCHOOLS:

Commissioner Delaney asked if the school projects are timed at Chatham County Schools' request or the County's. Mr. Butts said at the Schools' request.

Commissioner Kenlan asked if geothermal is being investigated. Mr. LaMontagne said staff doesn't know that yet, but the Schools are big advocates for geothermal.

Commissioner Kenlan asked if mobile classrooms are the same as the pods. Mr. Butts said these are more trailer type classrooms moved easily.

Mr. Butts said the County would borrow in July of FY 27 for the new elementary school at Chatham Park.

Commissioner Delaney asked for more information about the change in the cost of the school. Mr. Butts said the additional money is for the cost per square foot of construction and accounting for inflation. Commissioner Delaney asked if there is any way the school can open earlier to save money. Mr. Butts said that the Schools would not bring forth a request for a new school until they have the capacity numbers for a school to open and be operational.

Mr. Butts said in the first year the County would pay both principal and interest at about \$1.3 Million. The second fiscal year of operations would be \$6.6 Million regardless of whether the County borrows a year earlier. It may only impact the County's debt service payment by a couple hundred thousand dollars. Mr. LaMontagne said staff does take that into consideration, whether it is more fiscally responsible to do it sooner. This is probably as tight a timeline as the County can do to have bids out so we can go to the LGC. It is a bit of a roll of the dice because construction costs can go down and the County has benefited from that in the past. Some say it may be better if the County waits awhile to see if construction prices will go down and supply chain improves. Commissioner Delaney asked if the Schools do the modeling for student need. Mr. LaMontagne said yes.

Chair Howard asked how the impact fee factors into County costs. Mr. Butts said impact fees may only be used for school capital. The County has a significant amount of school debt and the County policy is always to use the most restricted funds first. Impact fees, lottery proceeds, and sales tax go in the pot first and then the general fund and debt reserve. School impact fees generate about \$3 Million a year. The County doesn't want to allocate more in impact fees than it is taking in. If the County ever loses that authority, we wouldn't want to have to make up all that revenue in a year.

Commissioner Kenlan asked if new houses in Pittsboro and Siler City require impact fees. Mr. Butts said every single-family home and multifamily construction requires an impact fee. Only age-restricted 55+ communities are excluded from impact fees. Mr. LaMontagne added that there have to be property deed restrictions on those communities.

Chair Howard asked if there is any way of tying projects like the school HVACs with climate goals to make them more resilient. Mr. LaMontagne said the Schools have had to respond to COVID and add things to the systems for purification. Chatham County is a Tier Three county so it is hard to get grants and the Schools used some of

the ESR (COVID) funds. Staff will ask the Schools to look into that. Mr. Butts said since the County is contributing, any grants the Schools get would require the County to match funds and staff is ready to jump at that. The County does not have that level of funding available for the total cost right now.

Commissioner Delaney asked where private donations fall with some of these school projects. Mr. Butts said the Schools are happy to receive donations but they have concerns about people saying their donation should only go to one specific thing and how that is equitable. That is a conversation staff is open to having with the Schools. We want the school system to have that consistency across all the schools. Commissioner Delaney would like to tease out how there are two funding sources for a project like the AVID project the County funded across all schools last year and CEF was also campaigning for funds for that project.

Mr. Butts works closely with Randy Drumheller, the Chatham County Schools construction manager, and he wants to have a list of what needs to be fixed next.

Commissioner Delaney asked if future projects fit in into the current seven year plan or are they later. Mr. Butts said in a perfect world they would start after the seven-year plan (year eight) but it is completely possible that a future project gets moved up and added to the current seven-year plan.

GENERAL FUND PROJECTS:

Commissioner Kenlan asked what role the Sheriff's Office and Schools have when the County is evaluating building needs. Mr. LaMontagne said the Sheriff's Office will be part of the building design. County management staff interview the Sheriff and his staff and to determine what they need. Staff went through the same process with Chatham County Schools for their central services building. When county management looks at a new county complex they will work with departments on what they need.

Commissioner Delaney asked what is driving moving up the NE Sheriff's Office substation. Mr. LaMontagne said a CCSO substation was part of the Briar Chapel agreement and stated Briar Chapel would supply space for the substation. When the Food Lion came in after the Health Sciences Building staff discovered there was no deal in that agreement. The County would have to pay for the space. Other areas in the northeast could accommodate a substation. Chair Howard said it is not a place where you would bring someone you arrested. Mr. Butts agreed saying it would be for walk-in services (people needing a permit, needing to talk to an officer, etc.) and provide officers with a place to eat and use the restroom instead of eating in their car and using restrooms at local businesses. There will be no detention space in the substation.

Budget Analyst Will Curvin continued the presentation.

Commissioner Delaney asked if the joint public safety facility would envision a southwest substation. Mr. Butts said if there is interest from the Sheriff staff can work with him on his needs. Staff has had conversations with Siler City about fire Protection space. Commissioner Gomez Flores asked what qualifies as fire protection. Mr. Butts said a fire station. Mr. Thompson said this could be an option if they see the value in having some coverage on the east side of HWY 64.

Vice Chair Dasher entered the meeting at 10:44 am.

Commissioner Gomez Flores asked if Siler City is contributing. Mr. Butts said staff has only had preliminary conversations to see if there is interest. They have seen this kind of concept work well regionally. The joint facility would take advantage of the fiber running down Progress Blvd.

Mr. Curvin said the total cost of the New County Complex is just a placeholder to show how much it could be. The County is in the middle of a facility needs study.

Mr. Butts said the Sheriff's administration building and the new County complex would all be part of the borrowing with the new elementary school. Mr. LaMontagne said part of the space needs study is also doing some traffic impact analysis of the entrance/exit and intersection of HWY 64 and Renaissance Drive. This time frame is really about as quick as the County can do it.

Chair Howard asked if there are any plans for outdoor spaces at the Siler City Center for Active Living. Assistant County Manager Carolyn Miller said they have not talked about that specifically. The County owns the building but not the common area owned and managed by the homeowners association. They have some garden beds out back but no picnic tables. Ms. Miller will speak with the staff. Commissioner Gomez Flores asked for the square footage. Ms. Miller said she didn't have that right now but it is about double the size of the eastern center.

Ms. Miller gave praise to the Town of Goldston and the Friends of the Goldston Library for working with the County on the Goldston Library project.

Commissioner Kenlan would like to know when the repeaters project will be complete. Mr. Butts said he is not sure but that is something Communications Director Mike Reitz and Fire Marshall William Judson have been focused on.

UTILITIES FUND PROJECTS:

Budget Analyst Erik Lindley continued the presentation.

Chair Howard asked if there was already a 4-inch pipe in the Haywood project and if it was putting in the 6-inch pipe that was costly. Mr. LaMontagne said NCDOT won't allow the County to increase the size of that pipe on the bridge and to bore under the railroad. It was too costly at about \$400,000.

Mr. LaMontagne said the day Mr. Thompson presented the CIP Mr. LaMontagne met with the consultants and members of the Western Intake Plant project. There is a lot in flux right now. The parties decided that in Phase I the County would be a wholesale customer of Durham and OWASA. Durham needs 16.5 mgd of water on day one. As Sanford merges with Pittsboro, this would allow them to connect to the County on the north and south. There are also thoughts about how to improve the current County plant to help bridge that gap.

Chair Howard asked if there is any Goldenleaf funding for projects like the western intake plant. Mr. LaMontagne said staff are hoping for additional assistance with something that came out of the budget at the legislature. The state authorized a study of the HWY 421 corridor and the state allocated funds for who can be a utility provider along that corridor. Sanford is hoping to leverage that study to include some of this project.

Commissioner Delaney asked if Granular Activated Carbon (GAC) was becoming the

norm with PFAs. Mr. LaMontagne said the Haw River has consistently had higher levels of PFAs. The County regularly tests for that and has had levels well below the regulatory advisory levels for some time. What staff is seeing now is that now everyone has to switch over to some form of the GAC because of the EPA regulations. There will be a regulatory treatment level that the County will have to have. Nothing about PFAS is new but there are advances in how they can be detected. The County has to look at new compounds every two or three years, the emerging contaminants as identified by the EPA. The current question is whether or not to go with GAC or something like reverse osmosis which is very expensive. The EPA study will inform what option the County chooses.

Commissioner Kenlan asked how soon the GAC filters will be put in. Mr. Butts said it is scheduled for 2030. Commissioner Kenlan said that is concerning. Mr. LaMontagne said it is important to remember the County's level is low and is treating our raw water with carbon now. Cary also treats it with carbon and then that water comes to us, and we treat it with carbon again. County water is safe.

FUTURE PROJECTS:

Commissioner Delaney had questions about a northeast library location. Ms. Miller said the Libraries did a study two years ago and they recommended a new branch. But based on current population growth projections the project has been renamed for an additional branch based on areas of growth. Commissioner Delaney requested historical data be included on CIP project requests.

Commissioner Gomez Flores asked which senior center is the most active. Ms. Miller said they have almost even participation now. The Western center has more congregant meals than the Eastern center and they are about equal in programming. The Western center has a Friday night dance every week. The Eastern center has an agreement with UNC nursing students because it is in close proximity to campus. Commissioner Gomez Flores said they need to think of the challenge transportation poses for seniors. Ms. Miller said right now Chatham Transit provides transportation for the congregant meal participants.

Commissioner Gomez Flores asked if the County has considered collaborating with the towns for park space. He has heard from the African American community in Pittsboro that they have felt forgotten for many years. Mr. LaMontagne said staff is open to any discussions, but would wait until the towns came to the County with a request to partner. Commissioner Gomez Flores said the County provides the per capita allocation to the towns and the public doesn't really see that. He asked if it is more cost-effective for the County to make more of an investment upfront that the public would see. Mr. LaMontagne said he was not sure.

Commissioner Gomez Flores sees the Agriculture and Conference Center and future expansion benefitting Pittsboro. He wants to know when the County will do something like that in Siler City. The Ag Center facility is kind of like an amenity and he would like to bring resources to Siler City. Commissioner Delaney asked if this would be a task for the new intergovernmental relations manager. Mr. LaMontagne said he has already talked with Intergovernmental Relations Manager Lindsay K. Ray about setting up meetings with the Chair and Vice Chair and Manager and the town manager with the mayor and mayor pro tem to talk about these kinds of things. Chair Howard thinks things could be a little more clear.

Discussion:

Commissioner Delaney asked if it was possible to estimate the tax impact this kind of proposal has on the residents and if there were specific projects that would require a new funding source. Mr. Butts said the elementary school project, the gyms, and the government complex were accounted for in the debt model for last year. Last year they also accounted for an assumed borrowing in FY26. At that time, for the debt model to be solvent there would need to be an additional 3.2 cents added to the tax rate for a total of 12 cents. During lunch, Mr. Butts estimated that it would need an additional 3.62 cents. He would advise the Board to go ahead and make that change in FY26 because it is a revaluation year, and it would prevent a rate increase. It is hard to know what the rate will be in FY26.

Mr. Butts said the county is risk-averse in the debt model. They assume the value of a penny increases in value by 2% every year and assume about a 1% return on the County's investment. Since Briar Chapel is almost fully built out staff are assuming a 2% increase in impact fees. They assume no growth in lottery proceeds annually. Commissioner Delaney asked if the Board would expect an increase with this recommended CIP but it would be in a couple of years and already included in the plan. Mr. Butts said yes.

Commissioner Delaney clarified that from now until FY26 they would not see a need for an increase in the CIP. Mr. Butts said yes.

Commissioner Delaney asked if anything like this happened in the past. Mr. Butts said in FY22, with the last revaluation, the Board ultimately decided to contribute an additional unneeded half a cent to the debt model. It lessened some of the additional money in FY26. Mr. Butts said the interest market has also changed significantly since the County last borrowed.

Commissioner Delaney said he is at a place where he can agree to approve this CIP but he is not sure it is the best plan strategically. Commissioner Kenlan and Chair Howard don't think there is a change in the Sheriff's strategic goals. Commissioner Delaney asked if there had been any consideration about talking to Chapel Hill about having any assistance, or a mutual aid agreement. Mr. LaMontagne does not know of any. He thinks there may be jurisdictional issues and statutory issues. Staff can discuss that with the Sheriff because that would happen through him. Mr. LaMontagne said the Governor's Club substation was underutilized and there has always been an idea to have a substation in the Briar Chapel location but the Sheriff said that is not really where he needs it. He is more interested in the Jack Bennett Road area. Commissioner Delaney asked if that location was part of the study. Mr. LaMontagne said yes that the County owns land right by the Westfall subdivision as a future site for a middle school. Chair Howard said the Board has had conversations with Cary and Apex about similar things. It is not as easy as the shared fire service mutual aid agreements the County has. Commissioner Delaney said there should be some conversations with Chapel Hill. He doesn't see it as a Sheriff's Office conversation since Chapel Hill is municipal. Mr. LaMontagne will reach out to the Chapel Hill Manager. Chair Howard said if the Board is looking at cross-jurisdictional agreements the county has multiple jurisdictions along its borders and there are differing views of policing among those jurisdictions.

Commissioner Gomez Flores has been told the CCCC business campus in Siler City is underutilized. He asked if there was any way to get the community college to maximize its use. Mr. LaMontagne said he just had a meeting with CCCC Provost Mark Hall, and they are looking at possibly using that space. Mr. LaMontagne let the college

know Chatham County supports that. The County is also holding land on Alston Chapel Road for a future school site.

23-5031

Discuss Board of Commissioner Priorities

Mr. Butts distributed a draft of planned retreat topics.

Commissioner Kenlan is interested in the Board looking into expansions with court-related programs and she would like to know more about prevention programs so the county can have fewer arrests and more court support services.

Commissioner Gomez Flores said he would like to hear about the challenges facing the schools with students that can ultimately become a challenge for law enforcement down the road. Chair Howard wondered if that could be part of the School Justice Partnership's work. Vice Chair Dasher said he does not know if the Board has ever asked the Schools to speak on a particular focus area and that may be good to hear.

Chair Howard said in previous years the Board looked at health in all policies. She suggested it may be a good time for the Board to revisit that topic and look at including environmental health. The Board is beginning to see pockets of impact and if it can bring those together it can make a larger impact. She asked how the Board can have all of the departments looking at health in all of their work.

Commissioner Kenlan is interested in more sustainability with climate resiliency in mind. She cannot easily find how sustainability is being prioritized in the County. She is worried about exponential development. She has talked to Andrew Waters about farmland preservation.

Chair Howard said it would be helpful if there were a way the Board could see all the things the County is doing on a regular basis, tying them together to make those more visible to the public. It is important to show how work is tied to policy decisions.

Commissioner Delaney said he believes that responsibility lies with the commissioners. Commissioners need to get the word out about the work that is happening. Mr. LaMontagne said there are a lot of ways those things do happen but what he is hearing is it isn't visible enough for the public. Vice Chair Dasher thinks a lot of that work has been done. He agrees with Commissioner Delaney that it is on the Commissioners to spread the word about those things.

The Board discussed ways they can incentivize developers to go above and beyond what the regulations require. They discussed needing tools they could use across the board.

Commissioner Kenlan and Chair Howard both are interested in tying work back to Board of Commissioner goals. The best policies are the ones that encourage people to do the right thing. Vice Chair Dasher said it is the same for purchasing and building policies. Mr. LaMontagne said the County has that in place now for a goal of LEED Silver for County buildings, using recycled materials. Commissioner Kenlan suggested having Debbie Roos consult with all developers on landscaping.

Commissioner Gomez Flores asked if the County were absent of a mental health provider like Monarch, could the County offer another provider cheaper rent as an incentive. Mr. LaMontagne said the County does that right now with Daymark. Commissioner Gomez Flores asked if it is better for the County to hire someone or

leverage County resources and contract out the service. Mr. LaMontagne said staff always try to do that but they do not want the County to compete with the private sector. He said staff will look into getting a list of leveraged assets.

Mr. LaMontagne said there is a collaborative team working on conservation led by Brandon Dawson from the Planning Department. Chair Howard said that may be a good starting place for the Board to hear what they are doing and for staff to hear what the Board is thinking about. Mr. LaMontagne said staff can give some more thought to a sustainability full time position. Commissioner Kenlan does not want someone with other responsibilities but to focus on sustainability only. Commissioner Kenlan asked if the conservation working group could give the Board some context about what is going on in the state and the nation. Where are we as leaders in this area? Chair Howard said a group of women from the USDA were open to talking with the Board about what it could be doing around agriculture preservation.

Commissioner Delaney said he sees the following possible Board priorities:

- Strategic Planning*
- Diversity/supplier diversity*
- Environmental climate issues*
- Public health – he would like to add Health Director Mike Zelek to the list of people wthe Board talks to at the retreat*
- He would like to find a public historical identity that could unify the community*

Commissioner Gomez Flores would like to explore ways the Board can help newer businesses receive the benefit of county resources. For example, let tradesmen and vendors know when a new subdivision is approved, when a rezoning is approved, etc. Webb Squared said they find new businesses not knowing where to start.

Commissioner Kenlan said it would be good for Andrew Waters to give a more detailed presentation when the preservation plan is finalized.

Commissioner Delaney said the commissioners have all done a good bit of learning over the year and wonders if change management might be a good, facilitated discussion at the retreat for a half day. Commissioner Kenlan said she appreciated Commissioner Delaney's intention, but she did not see using public meeting time as a time to talk about courses commissioners are taking and takeaways from those.

Mr. LaMontagne said staff can look into a facilitator on change management and see if the NCACC or SOG has any ability.

Commissioner Kenlan asked if staff could do more coordination of courses for the Board, highlighting the courses that would benefit the entire board.

The Biennial Customer Satisfaction survey and HR pay study will also be retreat topics with the pay study consultant.

Commissioner Delaney asked about Mr. Zelek coming to talk about public health. Mr. LaMontagne said he would like to know more of what the Board is looking for him to present. Commissioner Delaney suggested what public health experts see as the issues of priority. For example, how does 0 5 age health look and what policy would the Board need to address that issue? He would also like the School Justice Partnership's perspective.

Mr. LaMontagne said he has heard the Board would like a change management

facilitated discussion and Mr. Zelek presenting on public health as additional topics for the retreat. Vice Chair Dasher suggested maybe have the public health discussion in conjunction with the presentation on the early childhood action plan.

Commissioner Delaney asked if there are parameters of how the Board wants to hear from the Sheriff, Board of Elections, etc. and how discussions should go.

Commissioner Gomez Flores said he would like to know what kind of problems or successes different age groups are having in different areas of the County. Mr. LaMontagne can ask Mr. Zelek to talk about the public health issues as well as how they are geographically showing up in the county.

Commissioner Gomez Flores said he would benefit from the Sheriff sharing if there are certain problems they are seeing in specific pockets in the county.

Ms. Miller encouraged the Board to let staff know if there are any existing resources that they may have that would be helpful as they prepare for the retreat.

ADJOURNMENT

A motion was made by Commissioner Kenlan, seconded by Vice Chair Dasher, that this meeting be adjourned. The motion carried by the following vote:

Aye: 5 - Vice Chair Dasher, Commissioner Delaney, Chair Howard, Commissioner Gomez Flores and Commissioner Kenlan