

TOWN OF BROADWAY
BOARD OF COMMISSIONERS
MEETING MINUTES
FEBRUARY 28, 2022

A scheduled meeting of the Board of Commissioners was held on Monday, February 28, at 6:00 p.m. in the Council Chamber, 103 N. Main Street, Broadway, North Carolina.

Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, April Collins, Lynne Green, Teresa Kelly, and Jim Paschal. Also, Town Counsel Jimmy Love, Town Manager John Godfrey, and Town Clerk Laura Duval were present.

The meeting was called to order by Mayor Andrews. Commissioner Paschal gave the invocation, which was followed by the Pledge of Allegiance.

Mayor Andrews requested an addition to the agenda under New Business – Item C. will be changed to Developer for Patterson Property with the remaining agenda items following in succession. Commissioner Kelly made the motion to accept the Agenda as amended. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

Consent Agenda – January 24 Meeting Minutes and January financial statement. Commissioner Paschal made the motion to accept the consent agenda as submitted. The motion was seconded by Commissioner Collins. Motion carried unanimously.

Public Comments – Ronnie Turner, 3311 Lemon Springs Road, Sanford, NC, presented a request to the Town Board. Mr. Turner is a developer representing the KB Group. They are interested in purchasing a piece of property in Town on the contingency that it would be rezoned. The process of going through zoning, getting it to the engineer, and getting a shovel ready project would take a year. He is willing to move forward with his project knowing sewer capacity is an issue provided the Town Board would consider rezoning the property soon.

New Business – Tim Shueler, Project Manager for Hazen and Sawyer, presented funding opportunities for the Watson Lake Dam Project. Since 2017, the Town has been working with Hazen and Sawyer to resolve safety issues with the dam. It has been inspected, technical work has been done, and evaluation work has been performed. The most expensive steps are next: creating engineering plans and specifications and permitting then actual construction. Mr. Tim Devine, Funding Specialist, researched possible funding opportunities. They prepared a breakdown of cost shared percentages, estimation of costs incurred, deadline information, and approximate time frame to get the work done. Top ranked item is hazard potential dams grant program through the state, which has the best cost shares of 65%/35%. All options require a significant

outlay of money. Mr. Shueler advised eight funding sources were found but recommended taking advantage of the top two or three, specifically the FEMA plan referred to by Mr. Devine. The next step required in the funding process is developing an Emergency Action Plan (EAP). It is a study that shows what will happen if the dam fails. It could possibly be loss of life and/or property. The cost of the EAP is approximately \$20,000 and should be done and sent to the state by June in order to be put on the list for federal funding. Watson Lake Dam is considered a high hazard dam, and it must also be on the state's list of risk mitigation priority. Hazen and Sawyer recommended the EAP be done. With the study completed, some funding has been incurred to apply to some of these programs. The Town can apply to determine eligibility without any costs then the Town can see what funding is available. The Town will not incur any debt until the options are known.

Hazen and Sawyer proposed two rehabilitation options for the dam. The Mayor inquired about Alternative 2. In order to meet state requirements, the existing spillway must be abandoned. A 72" pipe has to be put in and a new 10'x10' CIP riser box would be put in to replace the old riser that would be sealed off. A separate siphon lake drain would also be installed. Hazen and Sawyer did a detailed cost analysis of this option.

Dams were not included in the infrastructure bill. Only water and wastewater met eligibility requirements for American Rescue Plan money. There is dam repair money available, and that is what Hazen Sawyer will be pursuing. The next step in the process is to complete the EAP, which requires an updated FEMA model with parameters of the repair option, a breach analysis, and properties affected then apply for the grant. FEMA would have to give their approval of the plan. Next week Hazen and Sawyer will give a proposal to the Town for the EAP.

Melissa Cardinali, Bill Cowen, and Megan Powell, with Withers-Ravenel, discussed information and answered questions about the Merger/Regionalization Feasibility Study. Ms. Powell reviewed a Power Point presentation on the Merger/Regionalization Feasibility Study. In the MRF Grant there was one study conducted for water, and one study conducted for sewer from the state. The study's purpose is to encourage water and wastewater utilities to become viable and more proactive managing/financing their systems and to provide a very high-level look at what options might be feasible given existing circumstances. Eligible projects are the potential consolidation of two or more systems into one system and the potential physical interconnection with another system for regional wastewater treatment or regional water supply. The purposes of the grant were to 1) determine the most cost effective/sustainable solution to treat and operate sanitary sewer system and to 2) determine the most cost effective/sustainable solution for water. City of Sanford was identified as the partner for the Town of Broadway. Four options were identified for wastewater: Option A – Status Quo, Option B – Interconnect for additional wastewater capacity, Option C – Wastewater merger, or Option D – Interconnect for treating all wastewater.

Option A – Status Quo - The Town must acknowledge that a merger may not occur due to financial, economic, and/or political challenges. This option includes expansion of the WWTP to .50MGD (million gallons/day) at an estimated cost of \$22.2

million. The earliest completion date for expansion would be approximately 36 months after the decision is made. A \$22.2 million installment purchase debt at a 15-year term with annual payments of \$2.26 million could be taken out. Impact could be as much as an 80% increase in revenue (rates) needed annually for the first 3 years, followed by 20% and 10% revenue increases (rate increases) for years 4 and 5. Permission would have to be obtained from the state.

Option B – Interconnect for Additional Wastewater Capacity - This option allows the Town to continue to own and operate the WWTP and collection system. The City of Sanford has the capacity to treat the waste generated by Broadway. The state prefers a WWTP not exceed 70% capacity, and the Town is at 88%. Under this option, the overflow would be treated by Sanford. A current flow of 0.028 MGD to Sanford would alleviate pressure on the Town's WWTP and allow growth in Broadway. If the Town pays for the construction of an interconnect at an approximate cost of \$14.21 million, an installment purchase debt would be required with annual payments of \$1.45 million. Impact could be as much as 60% increase in revenue (rates) needed annually for the first 3 years, followed by 20% and 10% revenue increases (rate increases) for years 4 and 5. The earliest completion date for interconnect construction would be approximately 30 months after the decision is made.

Option C – Wastewater Merger – This option would interconnect the Town to Sanford to treat wastewater. It merges the two systems. Broadway customers would become Sanford customers for sewer. This option assumes the City of Sanford would pay for the construction of an interconnect at a cost of \$14.21 million. The Town of Broadway would have to decommission its WWTP at an estimated cost of \$2.4 million paid from general fund or cash from utility fund. Decommission of the WWTP entails removing every part of the plant and filling in or removing the pit. When finished, it should look like no plant was ever there. The Town would keep water but give up sewer.

Option D – Interconnect for Treating all Wastewater – This option would allow the Town to continue to own and operate the collection system while sending all wastewater to Sanford. Broadway would have to decommission the WWTP. The City of Sanford has capacity to treat the waste generated by Broadway, which allows for growth. If Broadway pays for the construction of an interconnect at an approximate cost of \$14.21 million, it requires a 15-year term installment purchase debt with annual payments of \$1.45 million. Impact could be as much as a 50% increase needed in revenue (rates) for each year of the study. The earliest completion date for interconnect construction would be approximately 30 months after the decision is made.

The difference between Option C and D would be Broadway would own the infrastructure but have no WWTP under Option D. All waste would be pumped to the City of Sanford. Broadway would still be responsible for the lines and billing.

Mayor Andrews advised the City of Sanford participated in the study and their City Council is aware of it, but no formal discussion has taken place between Broadway and Sanford. The study determined the Town of Broadway is below the state average for wastewater rates for a system its size.

Two options were identified for water: Option A – Status Quo and Option B – Water Merger. The Town must acknowledge that a merger may not occur due to financial, economic, and/or political challenges. This option will not move Broadway toward a stronger, more viable water system. Option B merges the system with Sanford. Broadway customers become Sanford customers for water. Funding opportunities include: American Resuce Plan (ARP) funds can be used toward these projects, Drinking Water State Revolving Fund (DWSRF), and United States Department of Agriculture (USDA). Most state funding is for distressed and at risk communities, but Broadway does not meet that criteria. However, there is still money out there for the planning stages. Time is of the essence to pursue these funds.

Next steps for the Town are internal discussion of options and discussions regarding option preference then engage a firm to conduct a Preliminary Engineering Report (PER) and path forward. Funding options are based on PER and the Town's desired path. Currently, there is considerable state funding for PER's. It takes approximately six months to complete a PER and is done in conjunction with an asset inventory analysis (AIA). The Town would choose three options, and the PER would show the cost and environmental benefits of each option and how the options affect maintenance and cost of the system. The report is vetted by an engineer determining the best option for the Town. An AIA is required first. This looks at the condition and age of the lines. A rate study was also recommended. Broadway is eligible for up to \$400,000 in grants for the Town's preliminary needs. May 2 is the deadline for these grants with another round in the fall.

Mayor Andrews expressed concern on whether Daniels Creek has enough flow to handle more wastewater. Determining speculative limits on the creek would be the next step if Broadway decides to keep and operate the WWTP. That process takes approximately two years.

Commissioner Paschal asked for a rough percentage of the amount of funds Broadway might receive for this project. The grants discussed are for planning. The infrastructure bill has not passed yet. The chances of Broadway getting significant funding for planning stages look good.

Commissioner Kelly asked if the Town gets a loan from USDA for the project, can grants be obtained and used towards the loan. She was advised that can be done. Multiple funding sources can be used, but the Town has to know what the sources are and pursue them on a timely basis.

Commissioner Collins expressed her main concern is how this will affect the citizens. Some of them may not be able to afford high rate increases. However, she understands the Town must do something about the WWTP.

Mayor Andrews stated the Town Board needs to hold a work session to determine which direction to go, and time is of the essence. Withers needs to know by mid-March.

Mark Lyczkowski presented three options for the Town Board to consider regarding the Patterson Property. The developers are ready to move forward with the project. They need to make a decision within a week or two. Option #1: Do not annex the Patterson property. Mr. Lyczkowski prefers this option. The City of Sanford is willing to sell sewer to the Patterson property. However, they don't want to do that without the consensus of the Broadway Town Board. The developers can develop the property under Harnett County rules, buy their sewer from Sanford, and can determine whether the water comes from Sanford, Broadway, or Harnett County. Developers would put in a lift station on that property to serve their general property. They would put in a forced main to pump sewage to Carr Creek at a cost of \$4 million. It is not sized to handle that capacity, so that pump station will have to be upgraded. Infrastructure would already be in place should Broadway ever decide to go that route. Option #1 would give Broadway no tax benefits. Option #2: Annex and rezone the property for a master planned community to include 800+ single family lots plus commercial. The tax base would be over \$300 million. Option #2 would give Broadway tax benefits. Option #3 Status Quo - take no action and developers will proceed with a septic tank community (250-300 lots) under the Harnett County subdivision ordinance. Mayor Andrews advised the Town Board would have to make the decision and prefers the City of Sanford have input. The Town Board agreed they need time for discussion and would like to meet with City representatives. Commissioner Collins stated the Patterson property will have an impact on Broadway whether the Town annexes it or not. Mayor Andrews will try to line up a meeting with the City next week.

Mayor Andrews advised that the American Rescue Plan requires certain policies are in place prior to spending funds. A Conflict of Interest Policy, Non-Discrimination Policy, and a Records Retention and Disposition Schedule were presented for adoption.

The Conflict of Interest Policy must be signed every year by every Town Board member and every Town employee and disclose any interest that may give rise to a conflict. The policy came straight from the School of Government. Counsel Love reviewed the policy and feels it meets ARP requirements Mayor Pro Tem Beal made the motion to adopt the Conflict of Interest Policy. The motion was seconded by Commissioner Paschal. Motion carried unanimously.

Counsel Love also reviewed the Non-Discrimination Policy. Commissioner Kelly made the motion to adopt the Non-Discrimination Policy. The motion was seconded by Commissioner Collins. Motion carried unanimously.

Counsel Love advised that the Records Retention and Disposition Schedule approved by the NC Department of Cultural Resources is 160 pages long and is being revised. It will pass later this year. He feels the Town's policy should suffice until the packet is received. The Town Board can review it again at that time. Commissioner Kelly made the motion to adopt the Records Retention and Disposition Schedule that will be published by the NC Department of Cultural Resources. The motion was seconded by Commissioner Green. Motion carried unanimously.

Mayor Andrews advised that the Budget Ordinance for the NCVM will not be considered tonight. The funds have not been disbursed yet. The money is passing

through the Town of Broadway and is designated for a nonprofit organization, which is the NCVM, Inc. It is designated specifically for the construction of the Disabled Veterans Monument. After the paperwork is received, the Town will enter a contract with the NCVM. The Mayor and Finance Director are complying with Senate Bill 473, which modified governing board members' duty to vote and recusal procedures. Specifically, Section 14-234.3 prohibits public officials who also serve as directors, officers, or governing board members for non-profits from participating in making of administering any contract with those non-profits. In an effort to ensure transparency, Barbara Cox resigned as Treasurer of the NCVM Board, and Mayor Donald Andrews resigned as Vice President of the NCVM Board of Directors and is no longer a member. Hopefully, the information will be received by the March Town Board Meeting and the budget ordinance will be considered for adoption at that time.

Broadway Police Department is still operating with one less officer. The Town has police coverage 24 hours a day seven days a week now covered by three officers. Most municipalities are experiencing a shortage of police officers. Starting pay may be an issue. Wake County offers a starting salary of \$50,000, City of Sanford offers \$44,000, and the Town's starting pay is \$37,000. Chief Gunter is working hard to recruit another officer. It has proven to be quite a challenge with more competitive wages and fewer students enrolled in BLET programs in neighboring counties. Mayor Andrews doesn't want our three officers to get burned out. The Town has had discussions with Sheriff Estes for possible assistance, and the Town is exploring his recommendations. At the March Town Board meeting, the recommendations will be presented. The Town may have to raise its starting salary for police officers, which means every officer will move up in salary. The Town is pursuing every avenue possible for recruiting another officer.

The Town keeps a prioritized list of streets needing to be resurfaced. Last year Colonial, Crystal, Ruth Ann, Hazel and West Harrington were resurfaced. That left only \$103,000 in Powell Fund at year end. The Town has had quite a few water leaks that required asphalt repairs. Root cutting was done on Smith, Milton, Forest, Hickory, and Edgewater Drives, also requiring asphalt repairs. Powell Fund distribution is not keeping up with the costs. The Town receives \$35-\$36,000 per year in disbursements. This amount is not enough to resurface a road. Inquiries have been made about Cats and Fiddler Drives. They are next on the list for resurfacing as soon as the funds build back up.

The road widening project (R-3830) requires cost sharing on the sidewalks from Dollar General to Hunter Drive and from First Bank to Hunter Drive, placing sidewalks on both sides of Main Street. Project EB-7870 also requires cost sharing for the sidewalk project from Hollywood Pizza to the Presbyterian Church.

Old Business - Mayor Andrews reviewed a draft copy of a Chicken Ordinance for discussion purposes only. Currently, domesticated fowl are not allowed inside the Town Limits. If the ordinance is changed, the owners of chickens will be required to notify Town Hall. Ordinances cannot be revised without a Public Hearing being held. Mayor Pro Tem Beal made the motion to hold a Public Hearing on the Chicken Ordinance at

the March 28 Town Board meeting. The motion was seconded by Commissioner Green. Motion carried unanimously.

State Code Enforcement has sent out several courtesy letters about ordinance violations. There is a process that must be followed. The Town does have a contract with a towing company to tow junk vehicles. A dozen letters have gone out for such cars. The state changed the rules on Minimum Housing, so the Town's Minimum Housing Standard ordinance is being updated. These items will be given to State Code Enforcement.

Manager's Report – Town Manager Godfrey reported he applied for and received the NCDEQ WWTP permit allowing him to complete and sign monthly reports. He addressed in writing an issue with junk cars on Watson Lake Drive, and that issue has been resolved. Mr. Godfrey hand delivered a letter along with Chief Gunter to a resident on N. Main Street involving ordinance violations, which have been resolved. He assisted with coordinating the repair of two separate water main leaks on First Street and Watson Lake Drive and on First Street and Stevens Drive.

Town Manager Godfrey coordinated the delivery of the new police car. He is now in the process of obtaining permanent plates and has ordered and received a new gas card. He continues to pursue the challenges of hiring a police officer.

During the month Mr. Godfrey met with various individuals on behalf of the Town, including City of Sanford Finance Director Beth Kelly, former Town Manager Eddie Thomas, staff with Withers-Ravenel, Dwight Lancaster and Bobby Cavanaugh with NC Rural Water Association, Code Enforcement staff, John Frye with Capital Management of the Carolinas, Sheriff Brian Estes, City of Sanford Public Works staff Feed Walker and Kris Furmage.

Town Manager Godfrey attended his first Manager's Coffee Meeting with County Manager John Crumpton, City Manager Hal Hegwer, Airport Director Bob Heuts, and SAGA members, Jimmy Randolph and John Dean.

Mr. Godfrey continues to meet with Mayor Andrews to pursue any and all interests concerning the Town, and he continues to interact, coordinate, and seek daily feedback from Public Works, Admin, and Police. They are all a very capable group dedicated to providing quality service to the Town, and he appreciates the collaboration contributed to daily.

Commissioner Comments – Commissioner Collins encouraged all to promote the Broadway Our Way Festival. The committee has been working very hard, and things are looking very good. Mayor Andrews has posters and cards to be distributed.

Commissioner Kelly inquired about the time capsule. Mayor Andrews advised the capsule is in the drying stage now. However, they may not be able to salvage the documents but will make every effort to do so. The Mayor expects to hear something in May or June. The vault is in storage.

Mayor Pro Tem Beal reported that through the census, TJCOG found 900,000+ people came to North Carolina over the last 10 years. Forty-nine counties grew and 51 counties lost people. They also discussed the issue of hiring police officers. It is a challenge everywhere.

Mayor Comments – Mayor Andrews advised that Broadway Our Way Festival posters are ready to be distributed. Announcements are being posted on social media, as well.

Four park benches are in for Watson Lake Park. The placement needs to be flagged so that the benches can be set. Four more benches have been donated and need to be ordered. Next the water fountain location needs to be marked so that it can be installed.

The Mayor and Town Manager met with a Duke Energy representative last Friday about the lighting at the lake. He recommended increasing the lumens by switching to LED lighting there. Late night visitors to the lake have been reported, so lighting will be enhanced and police officers will patrol more in that area.

The Broadway Library is scheduled to re-open in April. Renovations have been made.

Mayor Andrews displayed a portion of pipe that was being used for a water line from Stevens Drive to First Street. This pipe was probably installed in 1970 and is slowly disintegrating because it is not thick enough. The water pipe from First Street to East Lake Drive will need to be replaced at some point soon. The Mayor advised the water lines that were installed in the 1960's were made of asbestos and are flaking. When the asset inventory analysis is done, a camera will be run through the lines. When the smoke test for the sewer is done, it will show if there is infiltration in the sewer lines.

The Mayor advised the commissioners that discussion of the studies should take place soon. The AIA and PER will take approximately six months to complete. Design, bidding, and construction will take 30 months to get on line with the interconnect. He recommended holding a work session next week. There are 15 houses under construction now with another 10 lots already approved. Inside the Town Limits, there are 150 acres that can be developed. While waiting for the study results, the Town held off on rezoning. Now the Town Board has to decide which option they want to pursue. Mayor Andrews will contact the City of Sanford about the studies. The City did participate in them and share information but made no commitments at that time. Broadway has a very good working relationship with Sanford, and the Mayor feels they are open to conversations about the possibility of interconnect/merger. Once the Town Board decides which route to take, the Mayor will contact the City about further discussions. Commissioners Collins and Kelly commented that growth is inevitable, and the Town needs to decide how much they want to be involved in that process. They feel that developers have been waiting and need to get answers.

Mayor Andrews entertained a motion to go into closed session per G.S. 143-318.11(a)(6) to discuss personnel matters. Commissioner Paschal made the motion to go into closed session. The motion was seconded by Mayor Pro Tem Beal. Motion carried unanimously.

After returning to regular session, there was no further business to come before the Town Board. Mayor Pro Tem Beal made the motion to adjourn the meeting. The motion was seconded by Commissioner Paschal. Motion carried unanimously to adjourn.

Donald F. Andrews
Mayor

Laura K. Duval, Town Clerk