In attendance were Mayor William M. Sutton, Mayor Pro Tem Eugene J. Schulze, and Council Members
William S. Jensen, Scott R. Lassiter, Nicole L. Dozier, and Denise C. Wilkie
Also in attendance were Town Manager Bruce A. Radford, Assistant Town Manager Drew Havens,
Town Clerk Donna B. Hosch, and Town Attorney Laurie L. Hohe

COMMENCEMENT

Mayor Sutton called the meeting to order, Mayor Pro Tem Schulze gave the Invocation, and Mayor Sutton led the Pledge of Allegiance.

PRESENTATIONS

Department Heads/Supervisors: Introduction of new Town Employees
Department heads and supervisors introduced their new employees:
John Brown, Parks and Recreation – Graham Tillerson, intern
Craiz Metzer, Parks and Recreation – Jamar Spellman
John Cannon, Public Works – Lee Thompson, Niko Pace, and Thomas Keating
David Hughes, Public Works – Joe Ennis
John Letteney, Police – Alex Cossifos, Josh Weldon, and Officer Rocky
Dianne Khin, Planning – Chris Bronczyk and Mike Clark
Tim Donnelley, Public Works – Brandon Boone
CONSENT AGENDA

Consent 01  Minutes of the May 19, 2015 Regular Council Meeting

Consent 02  Statement of the Town Council and Ordinance for Rezoning Case #15CZ01, Albert B. Womble, Timothy and Sonja Mann, Diane Neithold, Mark Mann, Donna Mann, Kimberly McIntyre, Mickey Mann, petitioners for the property located on N Salem Street, northeast of the US 64 off-ramp

Consent 03  Statement of the Town Council and Ordinance for Rezoning Case #15CZ09, Patrick Rost/Diverse Holdings, LLC, petitioners for the property located at 7816 Green Level Church Road

Consent 04  Statement of the Town Council and Ordinance for Rezoning Case #15CZ10, Patrick Rost/Diverse Holdings, LLC, petitioners for the property located at 2505, 2509, and 2513 Mt Zion Church Road

Consent 05  Statement of the Town Council for Rezoning Case #15CZ11, Brad Simpson, David H. Simpson Construction Company/Paul Barth, petitioners for the property located at 3101 New Hill Holleman Road

Consent 06  Resolution Directing the Town Clerk to Investigate Petition Received, Certificate of Sufficiency by the Town Clerk, and Resolution Setting Date of Public Hearing on the Question of Annexation - Apex Town Council’s intent to annex the Babetta Ann Breuhaus (trustee), Robert Andrew Finkle, David G. & Pamela C. Hahn, Phyllis L. Turner, Keith D. and Catherine R. Turner, Ronald W. Bordwell (trustee) and Patricia P Bordwell (trustee)-Bordwell Revocable Trust, Billy Rogers Mooney, Jr, Gail T. Mooney, and Michael F. Burbidge Bishop Roman Catholic Diocese of Raleigh properties containing 121.78 acres located at 0 & 9225 Barker Rd and 2208, 2312, 2408, 2412, 2424 & 2340 New Hill Olive Chapel Rd, Annexation #534 into the Town’s corporate limits

Consent 07  Statement of the Apex Town Council pursuant to G.S. 160A-383 addressing action on the Unified Development Ordinance (UDO) Amendments of May 19, 2015

Consent 08  Set Public Hearing on June 16, 2015 for a 2030 Land Use Map amendment from Rural Density Residential to Low Density Residential and rezoning application #15CZ05 and Ordinance (Jordan Manors PUD) to rezone 121.10± acres located at 0 & 9225 Barker Rd and 2208, 2312, 2408, 2412, 2424 & 2340 New Hill Olive Chapel Road from Wake County R-40W and Wake County R-80W to Planned Unit Development-Conditional Zoning

Consent 09  Set Public Hearing on June 16, 2015 for rezoning application #15CZ12 (1920 Laura Duncan Rd) to rezone 4.5± acres located on the Northwest corner of the intersection of Laura Duncan Road and Pine Plaza Drive from Residential Agricultural (RA) and Planned Commercial-Conditional Zoning (PC-CZ #11CZ13) to Tech Flex-Conditional Zoning (TF-CZ)

Consent 10  Set Public Hearing for the June 16, 2015 Town Council Meeting regarding various amendments to the Unified Development Ordinance

Consent 11  Resolution supporting the reauthorization of the Land and Water Conservation Fund and to direct staff to send a copy of the resolution to the North Carolina Recreation and Park Association for forwarding to the appropriate elected officials in Washington D.C.

Consent 12  THIS ITEM WAS PULLED FOR DISCUSSION AS OLD BUSINESS 01

Amend the Fiscal Policy Guidelines, Reserve Policies, Items No. 2 and No. 3, to establish a policy that Available Fund Balances be at least 20% of the Total Annual Operating Budget. These Policies currently call for Available Fund Balances of at least 25% of the Total Annual Operating Budget

Consent 13  Lot 40, Plots E and F to be conveyed to the Apex Town Cemetery

Consent 14  Lot 247, Plots E and F to be conveyed to the Apex Town Cemetery
Consent 15  Lot 214, Plots C, D, and H to be conveyed to the Apex Town Cemetery

Consent 16  Lot 232, Plots G and H to be conveyed to the Apex Town Cemetery

Council Member Wilkie requested that Consent 12 be pulled for further discussion.

MAYOR SUTTON CALLED FOR A MOTION TO ACCEPT THE CONSENT AGENDA MINUS CONSENT 12. COUNCIL MEMBER WILKIE MADE THE MOTION; MAYOR PRO TEM SCHULZE SECONDED THE MOTION.

THE MOTION CARRIED BY A 5-0 VOTE.

REGULAR MEETING AGENDA

Council Member Jensen requested the addition of a New Business item to discuss the Western Wake Wastewater facility. Town Attorney Hohe requested the addition of a Closed Session to receive advice from the Town Attorney. All Council Members were in agreement with the stated additions.

PUBLIC FORUM

Shannon Flaherty, Executive Director of the Apex Chamber of Commerce, on behalf of the Chamber’s Board of Directors and staff, thanked Council for its support of the Chamber’s first 5k run on May 16th. They are grateful for the use of Town Hall as a staging area, special thanks going to Captain Myhand and Apex PD. The run experienced over 100% of the natural average of participants, they hope to have another event next year with increased participation, and they look forward to continuing to work closely with the Town.

PUBLIC HEARINGS

Public Hearing 01 : Dianne Khin, Planning Director
Ordinance on the Question of Annexation - Apex Town Council’s intent to annex Jo Harris property containing 1 acre located at 2909 Evans Road, Annexation #540, into the Town’s corporate limits

Staff oriented Council to the site, stating that water service was required because of a failed well. Staff recommended approval.

Mayor Sutton declared the Public Hearing open. With no one wishing to speak, Mayor Sutton declared the Public Hearing closed.
MAYOR SUTTON CALLED FOR A MOTION. COUNCIL MEMBER JENSEN MADE THE MOTION TO APPROVE
THE ORDINANCE; COUNCIL MEMBER WILKIE SECONDED THE MOTION.
THE MOTION CARRIED BY A 5-0 VOTE.

Public Hearing 02 : Bruce Radford, Town Manager
Public Hearing to receive citizen input on the Fiscal Year 2015-2016 Budget

Mayor Sutton declared the Public Hearing open. With no one wishing to speak, Mayor Sutton declared
the Public Hearing closed.

The Mayor stated a budget workshop was held last week. 28 new positions were proposed including 12
new firemen. Last year, 8 new positions were approved; this year the request is for 16 [not including the
firemen]. This seems like an excessive jump in personnel. The Mayor proposed that the Manager cut eight
of the positions, rank them in terms of the most critical, and bring that information back to Council.

MPT Schulze stated he had the same concerns except on a broader scale. He read the budget as we
are dipping into the Reserve Fund for firetrucks and traffic lights. So this means the budget doesn’t
balance on its own. TM Radford spoke about the last four years and how the Fund Balance has not been
dipped into but added to by millions of dollars. MPT Schulze stated we are spending more than what’s
coming in. We’ve talked about wanting a senior center, roads, and parks. This seems like an
unsustainable path. Apex is only going to grow but so big; and at some point, we won’t have the
additional revenues to count on. MPT Schulze also wanted to eliminate the transfer of $1 million from
Fund Balance. CM Dozier asked would we still be able to strengthen health benefits if positions were cut.
MPT Schulze didn’t see how this could be done. CM Dozier wanted to hear what the Manager had to
say.

MPT Schulze stated that at the Retreat, public safety was not on the high end of priorities. The Manager’s
report says turnover has gotten worse. Compensation is one end, but there are many other factors. The
comment was made that we want to remain competitive, and MPT Schulze feels we are.

CM Wilkie agreed with CM Dozier on benefits. She does not want to see people leaving; it’s more costly
to train new employees. So if there are better benefits, we will be able to retain more employees. CM
Wilkie agreed that something needs to be cut. Mayor Sutton stated he wanted the Manager to come
back to Council with $1 million in cuts to Fund Balance spending.

CM Lassiter brought up the plan to spend Fund Balance, stating everyone was fully aware of this. The
long-range plan was to spend down. This is the citizens’ money, and they need to see some meaningful
service. There is more money in the bank than this Council and State regulations allow. TM Radford offered the following:

- There is over 40% in unencumbered fund balance = $14 million
- There was a four year plan to spend $1.5 million each year to decrease the Fund Balance while not reducing the number the policy called for which equals 25%
- In year one, we added $1.7 million at year end; year two, we added $1.3 million; and year 3 we added $1 million
- We have continued to add to our Fund Balance every year, even during recession, except for expenditures last year

CM Lassiter echoed some of the concerns of Council and wants to rest easy that all employees asked for are of critical need. He did not see a glaring red flag for dipping into the $1 million when four years ago the plan was to dip into it $4 million. We are still well behind what we intended to do.

CM Dozier wants to make sure employees are able to achieve a healthy work/life balance and healthy work atmosphere.

MPT. Schulze stated budgets are about priority. We can put employee compensation on top, but then something else has to come off.

CM Jensen stated it is our responsibility to prioritize. Being $1 million in the red is an accounting situation. We try to do our projects conservatively. We can save money on new fire apparatus, but we also talked about sitting on money at a 1% interest rate. This equipment will cost more next year. So it’s better to by now or spend more on it next year. TM Radford stated that if we purchase the rescue vehicle this year, we will get $84,000 from the County towards the purchase. CM Jensen stated we can possibly look at aging out vehicles. Police vehicles, however, have to be in top notch shape. CM Jensen would be happy to use the Fund Balance monies for roads. But we also have to look at vehicles, for example, and see when would be the best time to purchase them.

TM Radford stated if we reduce the budget by $1 million, then we will not be able to reduce employee benefits. Council/staff conversation ensued on how spending could possibly be done so as to not be frowned upon by our bond rater.
CM Dozier asked for New Business 02: Eleanor Green, Human Resources Director - Response to request from the Budget Work Session on costs and data related to Employee Health Insurance to be discussed at this time since it was appropriate. HRD Green was asked by the Personnel Committee to come back to Council with dependent care monies. HRD Green presented three options, which she detailed. She also gave information on what other municipalities are doing and stated that we’ve lost people because of the cost of health insurance. We can match salaries, but people turn us down because of our crappy family coverage. Responding to question from Council, HRD Green stated placing $100 in employee flex accounts would be difficult to do right at the 19th hour. Employees would need to be educated so that unused monies would not be lost.

CM Lassiter stated it is best to spend money when times are bright. And our skies are pretty sunny financially. We don’t know what next year will bring; so if we spend now when times are good, we won’t be in such bad shape next year. He does not take reoccurring health expenses lightly, and we didn’t have to lay off when others did. The question is; is it really a problem or just scary?

CM Wilkie liked Option B, particularly since it would make us more competitive. She would much rather pay the people we have than recruit more people. CM Jensen agreed, especially since spouse coverage might not be necessary in all cases. This would keep us competitive, and training new employees is expensive. MTP Schulze stated he is supportive but wanted to know there the money is going to come from. CM Wilkie would rather give more benefits than add another vehicle. CM Lassiter clarified from the Manager that there are items in the budget that could come from Fund Balance. CM Jensen stated he wished to now go to Option A since the spouse subsidy could come from other places. CM Lassiter advocated for Option B. CM Dozier stated she would drop conversation on the flex card this year and commended everyone for adding vision and keeping dental.

COUNCIL MEMBER DOZIER MADE THE MOTION TO INCREASE THE BENEFIT PACKAGE PER OPTION B, HAVE STAFF FIND THE RELATED FUNDS, AND REPORT BACK TO COUNCIL. COUNCIL MEMBER LASSITER SECONDED THE MOTION.
CM Jensen stated since there wasn’t much difference between Option A and B, he would now support Option B. MPT Schulze stated he supported this in principal, but he wanted to see how the final budget is going to play out. TM Radford stated now revenues, which have been cautiously estimated, will also need to be budgeted and possibly cut. Staff will have to find $1.2 plus million, which CM Lassiter stated he did not agree with.

THE MOTION CARRIED BY A 5-0 VOTE.

Mayor Sutton asked the Manager to come back to Council with eight of the 16 new positions, fire notwithstanding, ranked in order of importance, and the elimination of $1 million in Fund Balance. Council is to be kept informed between now and the next meeting of the revised recommendations.

COUNCIL MEMBER LASSITER MADE A MOTION FOR THE MANAGER TO RANK THE EIGHT LEAST CRITICAL POSITIONS, TO ADD OPTION B TO THE BUDGET, AND BRING THESE FIGURES BACK TO COUNCIL [NO CHANGE IN FUND BALANCE].

THE MOTION DIED FOR LACK OF A SECOND.

CM Jensen stated he was not saying to ax everything, which is why he was asking the Manager to prioritize and come back to Council as this is an education process. He may find positions and vehicles that can be deferred. MPT Schulze stated he was asking the Manager to sharpen his pencil more; he was not giving direction as to from where the cuts should come. He was deferring to the Town Manager’s judgment.

CM Lassiter asked did Council recently vote to reduce the policy on the amount of Fund Balance. Council responded yes, during the Budget Workshop where this was discussed and voted on to go on Consent Agenda.

MAYOR SUTTON CALLED FOR A MOTION. COUNCIL MEMBER WILKIE MADE THE MOTION TO HAVE THE MANAGER PRIORITIZE PERSONNEL AND TO DO A BALANCED BUDGET WITHOUT GOING INTO FUND BALANCE.

COUNCIL MEMBER JENSEN SECONDED THE MOTION.

COUNCIL MEMBERS JENSEN, WILKIE, SCHULZE, AND DOZIER VOTED IN THE AFFIRMATIVE;

COUNCIL MEMBER LASSITER VOTED IN THE NEGATIVE.

THE MOTION CARRIED BY A 4-1 VOTE.

TM Radford requested a special budget workshop between now and the next meeting. Mayor Sutton stated Council may be satisfied with what the Manager recommends, but the Manager wants an open dialog which would be helpful. The Manager reminded Council the budget is required to be adopted
before the end of June. He wants to have the Budget Message done before the 16th. Council was in agreement for a Special Session at 5:00 p.m. on Tuesday, June 9th.

OLD BUSINESS

From the Consent Agenda as requested by Council Member Wilkie: Amend the Fiscal Policy Guidelines, Reserve Policies, Items No. 2 and No. 3, to establish a policy that Available Fund Balances be at least 20% of the Total Annual Operating Budget. These Policies currently call for Available Fund Balances of at least 25% of the Total Annual Operating Budget

Council Member Wilkie stated she felt keeping this at 25% was more fiscally responsible after a bit more evaluation.

COUNCIL MEMBER WILKIE MADE A MOTION TO KEEP THE PERCENTAGE AT 25%; COUNCIL MEMBER LASSITER SECONDED THE MOTION.

Council discussed its concerns that spending might get out of hand; the policy can be changed if there is an emergency; and if the amount is lowered, then we won’t have to have as large a Fund Balance. Council was concerned that we are sitting on constituents’ money and not giving them value for this money. He did not see staff going wild with spending if the percentage was lowered.

COUNCIL MEMBERS WILKIE, SCHULZE, AND LASSITER VOTED IN THE AFFIRMATIVE; COUNCIL MEMBERS DOZIER AND JENSEN VOTED IN THE NEGATIVE.

THE MOTION CARRIED BY A 3-2 VOTE.

NEW BUSINESS

New Business 01 : David Hughes, Assistant Public Works Director

Appropriation of $3,000.00 for contracting with Jones Landscaping to plant dwarf mondo grass and install stone check dams along a short section of Old Raleigh Road as a demonstration project for erosion control prevention along ditch lines.

Staff stated we will try this erosion process since it’s difficult to grow regular grass in the area. If it works, we may use it in other parts of town as well. Council stated the intertwined root system will be very stable and the mondo grass will not have to be mowed. Check dams will slow down backfill a bit.
MAYOR SUTTON CALLED FOR A MOTION. COUNCIL MEMBER JENSEN MADE THE MOTION TO APPROVE THE REQUEST; COUNCIL MEMBER DOZIER SECONDED THE MOTION. THE MOTION CARRIED BY A 5-0 VOTE.

**New Business 02 : Eleanor Green, Human Resources Director**  
Response to request from the Budget Work Session on costs and data related to Employee Health Insurance

This was discussed during Public Hearing 02.

**Added New Business 03: Council Member Bill Jensen**  
Discussion of the Western Wake Wastewater facility

Council stated the facility has cut off a piece of land south of Hwy 1 which is near the Shearon Harris Nuclear Plant which can’t be used for housing. Cary has leased out some property at their facility for a solar farm, it didn’t cost money up front, and it’s a good use of money. He asked Council to consider partnership with Cary to evaluate and get proposals for how much we would get for leasing our property which would sit idle for a long time.

MAYOR SUTTON CALLED FOR A MOTION. COUNCIL MEMBER JENSEN MADE THE MOTION TO PURSUE THIS AVENUE, THE TOWN MANAGER TO MEET WITH CARY NEXT WEEK; MAYOR PRO TEM SCHULZE SECONDED THE MOTION. THE MOTION CARRIED BY A 5-0 VOTE.

**CLOSED SESSION**

**Added Closed Session 01: to receive advice from the Town Attorney**

MAYOR SUTTON CALLED FOR A MOTION TO GO INTO CLOSED SESSION. COUNCIL MEMBER WILKIE MADE THE MOTION; COUNCIL MEMBER LASSITER SECONDED THE MOTION. THE MOTION CARRIED BY A 5-0 VOTE.

MAYOR SUTTON CALLED FOR A MOTION TO RETURN TO OPEN SESSION. COUNCIL MEMBER LASSITER MADE THE MOTION; COUNCIL MEMBER WILKIE SECONDED THE MOTION. THE MOTION CARRIED BY A 5-0 VOTE.

MAYOR SUTTON CALLED FOR A MOTION TO APPROVE RESOLUTION NO. 15-0602-14 AUTHORIZING EMINENT DOMAIN PROCEEDINGS RELATED TO THE BEAVER CREEK GREENWAY FOR THE CONTINUED OPERATION OF THE APEX RECREATIONAL FACILITIES. COUNCIL MEMBER LASSITER MADE THE MOTION; MAYOR PRO TEM SCHULZE SECONDED THE MOTION. THE MOTION CARRIED BY A 5-0 VOTE.
WORK SESSION
There were no Work Session items for consideration.

ADJOURNMENT
With there being no further business,

MAYOR SUTTON CALLED FOR A MOTION TO ADJOURN.
MAYOR PRO TEM SCHULZE MADE THE MOTION; COUNCIL MEMBER WILIE SECONDED THE MOTION.
The motion carried by a 5-0 vote.

______________________________________________
Donna B. Hosch, CMC, NCCMC
Town Clerk

ATTEST:

______________________________________________
William M. Sutton
Mayor