



Municipal Building

**Minutes of the Burlington
City Council Work Session**
425 S. Lexington Avenue, Burlington, NC
5:00pm - Monday, May 1, 2023

Mayor Jim Butler presided.

Council Members Present:

Mayor Jim Butler
Mayor Pro Tem Harold Owen
Council Member Robert Ward
Council Member Kathy Hykes
Council Member Ronnie Wall

Council Members Absent: None

Staff Present:

City Manager, Craig Honeycutt
City Attorney, David Huffman
City Clerk, Beverly Smith

John Andoh, Jessica Arias, Scott Bibler, Julianne Cordon, Isabella DeLaGarza, Rachel Kelly, Nolan Kirkman, Todd Lambert, Morgan Lasater, Tony Laws, Jamie Lawson, Brian Long, Jay Mebane, Conrad Olmedo, Bob Patterson, Peggy Reece, Paige Shepard, Gary Smith,

Media: Alamance News, Tomas Murawski

Mayor Butler called the meeting to order at 5:00pm

A) Utility Request – Water and Sewer Commercial Use – Voluntary Contiguous
302 and 0 West Old Glencoe Road (PIDs 140413 and 174564)

Planning Director Jamie Lawson presented a staff report on an application for a utility request that was initiated by the property owner of two properties addressed as 302 West Old Glencoe Road (PID 140413) and 0 West Old Glencoe Road (PID 174564) for a water and sewer connection to serve a commercial use. According to Section 40-40 of the City's Code of Ordinances and the City of Burlington Utility Connection Request Procedures, such utility requests located outside of the corporate limits must be considered by City Council and must accompany an annexation petition. Staff is recommending the utility request be approved and the properties be annexed, since the property is located within the City's ETJ, and there are zoning and development controls in place.

Ms. Lawson asked City Council for consensus to set a date of public hearing for May 16, 2023, to consider formally adopting an annexation Ordinance.

Following the presentation, City Council consensus was to place an addition to the May 2, 2023, City Council Meeting consent agenda to set a date of public hearing for May 16, 2023, to consider the requested annexation.

B) Recreation and Parks Playground Grant Opportunity

Director of Recreation and Parks Tony Laws provided an overview of a grant opportunity for a community-built play space in partnership with KABOOM, Inc, in the construction of a new playspace at 1388 S. Main Street, Burlington, at Burlington City Park with the support of a funding partner to design, build. The cost of this play equipment, purchased by KABOOM! is approximately \$500,000.00. The City's match to KABOOM! will not exceed \$155,000.00.

Mayor Butler inquired about this sort of project being addressed in the Recreation Master Plan.

Mr. Laws indicated that topics like this did come up during public input sessions as well as being discussed with BerryDunn staff.

Mayor Butler inquired about the legal and risk management implications of this proposed playground.

Councilmember Ward recommended that the item be placed on the following night's consent agenda with the stipulation that it is still pending further legal and risk management review.

Mr. Laws confirmed that staff with KABOOM! are aware a letter of intent is still under legal review.

Following discussion, City Council consensus was to place an addition to the May 2, 2023, City Council Meeting consent agenda to approve a letter of intent contingent upon Legal and Finance & Risk Management review and final approval.

C) NC Commerce Rural Transformation Grant Resolution

Downtown Burlington Streetscape Project

Isabella DeLaGarza, Economic Development Graduate Fellow, presented on the process involved in application to the NC Commerce Rural Transformation Grant Fund. She shared the four types of grants that qualify including downtown revitalization, resilient neighborhoods, community enhancement for economic growth, and rural community capacity building. She reported staff recommends application for the downtown streetscape improvements project which fits the downtown revitalization category and will help the businesses recover from COVID-19 impacts. She noted the City intends to apply for \$850,000 and indicated the City will need to adopt a Resolution prior to submission of the proposed project as part of the application process.

City Council members and staff discussed concerns on the turnout of business owners and stakeholders in the MSD on the proposed downtown streetscapes project timeline, and importance of the messaging and understanding of impact of the overall project.

City Manager Honeycutt informed City Council the City has committed some general fund dollars to this project.

Following discussion, City Council consensus was to place an addition to the May 2, 2023, City Council Meeting agenda to adopt a Resolution in support of proposed project for consideration of the NC Commerce Rural Transformation Grant.

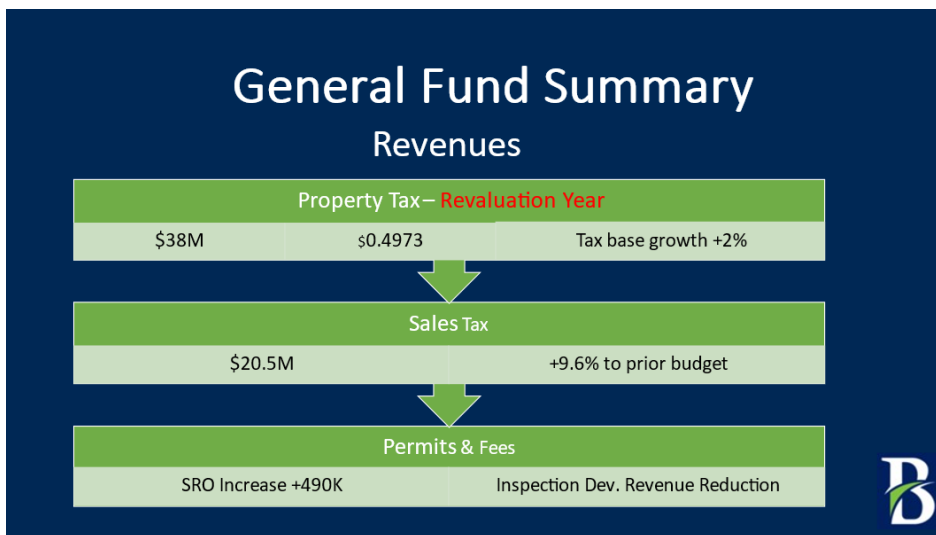
D) FY 2023-2024 Budget Proposal Presentation

City Manager Craig Honeycutt presented an overview of the proposed FY23-24 annual budget for the City of Burlington with the financial theme of “taking care of existing assets”. He expressed appreciation to the Department Heads and Budget Team for the preparations involved in preparing the proposed budget.

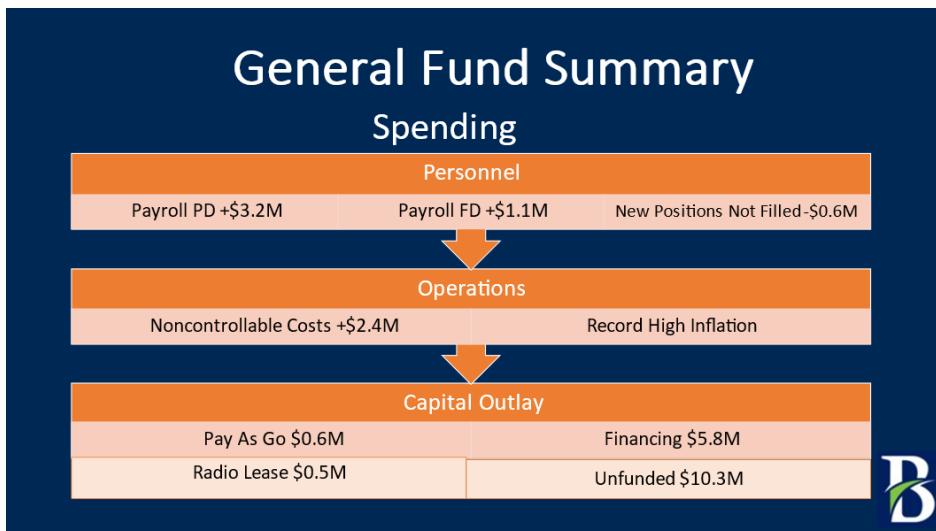
General Fund Budget

Mr. Honeycutt summarized the general fund revenue changes from 2023 to 2024, proposed increase of 17.2% from previous budget year, spending projections for personnel, operations, and capital outlay. He reported staff is recommending a tax rate of \$0.4973, reduced from the previous tax rate of \$0.5973 but the evaluations have gone up 70%.

Mr. Honeycutt provides a summary of revenues by highlighting the changes in property tax, sales tax, as well as permits and fees.



Mr. Honeycutt also provides a summary of the changes in spending for personnel, operations and capital outlay.



Mr. Honeycutt shares that the top spending department are Police, Fire, Public Works, Recreation, and Debt Services making up 75% of department expenditures while the top 3 revenue generators are Sales Tax, Property Tax, and Permits & Fess, making up 85% of revenues for the City. Spending by Departments totals \$78.8M.

Spending by Department

Police	\$24.2M
Fire	\$11.6M
Public Works	\$11.3M
Recreation	\$7.9M
Debt Services	\$4.2M
Gen Admin-Bldg	\$2.6M
Transportation	\$2.4M
Planning & GIS	\$2.3M
Animal Services	\$2.2M
IT	\$2.1M
Finance & Risk Management	\$1.8M
Administration	\$1.7M
HR & Emergency Management	\$1.2M
Inspections	\$1.1M
Engineering	\$1.0M
Legal	\$.9M
Economic Development	\$.3M

Mr. Honeycutt compares tax rates based on population for other North Carolina municipalities, showing Burlington’s proposed property tax rates are only slightly above average.

Revaluation Year – Revenue Neutral: 0.410

- Current rate: 0.5973
- Proposed rate: 0.4973
- 1 cent = \$699,000

Mayor Butler shared that there are still appeals and this means that the city does not know exactly the worth of \$0.01 and further, that \$0.41 is revenue neutral. Once the appeals are settled, this number could change.

Mr. Honeycutt agreed and expressed thanks to the Alamance County Tax Department for their diligence in sharing the most up to date numbers.

Councilmember Ward inquires about the appeal period.

Peggy Reece, Director of Finance & Risk Management, replied repeals are still possible. There is \$250M of commercial properties in the City of Burlington that are asking for a 20% reduction.

General Fund Operating Expenses

Mr. Honeycutt summarized the following General Fund expenses;

General Fund Operating Expenses Details

Account	Amount Increased	% Increase
Contracted Services	\$646,805	12.6%
Utilities	\$402,442	21.9%
Professional Services	\$224,862	13.6%
R&M Bldg/Grounds/Equipment	\$244,050	18.3%
Auto Fuel	\$209,300	25.9%
Auto Expense	\$127,675	15.3%
Uniforms	\$61,943	11.8%
C-Comm Radio lease payment 1	\$454,322	100.0%
Noncontrollable Increases	\$2,371,399	

Water Resources Budget

Mr. Honeycutt presented the Water Resources budget, in the amount of \$33.6M, Stormwater \$2.5M, a proposed 5% rate increase for water and sewer, explained spending by department, and the operation and capital outlay for stormwater.

Mr. Honeycutt briefly discussed the Public Transportation Fund, \$3.4M, and other funds, totaling to \$4,044,773 and provided council with a summary of all budgeted funds.

Fund	Budget
General	\$78,822,176
Water Resources Enterprise	\$33,624,668
Stormwater Enterprise	\$2,557,316
Public Transportation Enterprise	\$3,407,807
Other	\$4,044,773
Total	\$122,456,740

In conclusion, Mr. Honeycutt proposed a public hearing for public input at the June 6, 2023, City Council Meeting for the fiscal year ending June 30, 2024.

Council member Wall inquired about the tax increase regarding inflation.

Mr. Honeycutt confirmed that there will be a tax increase regardless due to inflation and that this is accounting for inflation that has already taken place, rather than future inflation.

Mr. Honeycutt highlighted the Critical Needs Budget Amendment that was made last year with the positive revenues that the city had obtained. With this positive revenue the city was able to tend to critical needs such as updating the Maynard Aquatic Center.

Mayor Pro Tem Owen inquired about sales tax projections.

Ms. Reece responded that for the prior two years the city had >15% growth in sales tax, this year it is a little under 10%. She could not say exactly what that percentage is presently due to the Department of Revenue.

Mayor Buter discussed sales tax, reevaluations, and interest rates and emphasized the city's critical needs will not be getting cheaper. The city appropriated a portion of extra funds last year for paving and residents were very receptive to these improvements.

Council Member Ward suggested a bond package be put together in the near future depending on market fluctuations.

Mayor Pro Tem Owen concurred on preparations for a bond package.

Following a lengthy discussion, City Council consensus was to proceed as recommended and plans for advertisement of the public hearing to be held on June 6, 2023.

E) Boards & Commissions Reports

Planning Director Jamie Lawson presented a staff report on the following rezoning applications proposed for public hearings at the Planning and Zoning Commission at their April 24, 2023, meeting.

ITEM 1: REZONING-23-007: Mr. Jeff Deal, applicant, to present a request to rezone property from Conditional Business (CB 810) to General Business – Limited Use (GB-LU). The property is located on the northwest corner of the intersection of Boone Station Dr. and Garden Rd. addressed as 3315 Garden Rd. and consisting of Alamance County Tax Identification Number 112655.

At its April 24, 2023, meeting, the Planning & Zoning Commission voted to recommend approval of this request (4 votes in favor and 2 votes against).

ITEM 2: CONDITIONAL REZONING-21-003: Mr. Ryan Woods, applicant, to present a request to rezone property from Light Industrial (LI) to Conditional Industrial (CI). The property is located on the east side of Holly St. north of the intersection of Holly St. and Maryland Ave. addressed as 0 Holly St. and consisting of Alamance County Tax Identification Number 138264.

At its April 24, 2023, meeting, the Planning & Zoning Commission voted to recommend denial of this request (5 votes in favor and 1 vote against).

Ms. Lawson reported the applicant is planning to host another neighborhood meeting and the applicant has indicated they are not interested in a public hearing date at this time to allow additional time to clear up some of the comments received at the Planning and Zoning Commission meeting by neighboring property owners.

ITEM 3: UDOTA 1-23: Mr. Chad Meadows, on behalf of the City of Burlington, to present Unified Development Ordinance Text Amendments.

At its April 24, 2023, meeting, the Planning & Zoning Commission voted to recommend approval of this request (6 votes in favor and 0 votes against).

Chad Meadows, CodeWright Planners, provided a comprehensive overview of the eleventh round of amendments to the Unified Development Ordinance. He briefed Council on thirty-one areas of revision organized in the following six groups on proposed amendments:

Procedural

- Updated conflict provisions to recognize that use-specific standards control (pp. 1-5, 8-11)
- Application must be filed within 6 months of pre-app (p. 2-6)
- Application abandonment procedure (120+30) (p.2-15)
- No site plan review by TRC for site plan filed with a conditional rezoning unless approval conditions warrant re-review (p. 2-54)
- If a site plan undergoes major modification, must also undergo new pre-app (+ neighborhood meeting if conducted prior to approval) (p. 2-63)
- Removed TIA requirement for applications where uses are not known (e.g., straight rezoning) (p. 2-72)
- Added accessory dwelling units to list of development requiring a Zoning Permit (p. 2-84)

Use-Related

- 19 changes to uses in Use Table (pp. 4-4 through 4-10) CCRC, Live/Work, Adult Uses, Auditorium, Coliseum, Cultural Facility, Fraternal Club, Religious Institution, Schools, Campground, Catering, Driving Range, Printing Service, Pool Hall, RV park, Self-storage, R&D, Truck Terminal, Farmer's Market
- Adult uses – consolidated, plus reduction in districts where permitted (pp. 4-6, 5-7, 8-26)
- Automotive towing & storage lot changes – increased to 100 cars, remove max. size, add screening (pp. 4-42, 43)
- Outdoor Storage – Removes setbacks, requires Type A buffer, must be paved. Same rules applied to accessory outdoor storage. (pp. 4-48, 4-74)
- Tiny homes may be an ADU; driveway parking (pp. 4-64, 5-5)
- Swimming pools – clarifications on fencing & access (pp. 4-75, 76)
- Temporary real estate office – converted to just temporary office (p. 4-82)
- Fences – Increasing max. height in non-residential districts; Recognizing outdoor storage rules; Screening changes; Changes to “finished side out” rules (pp. 4-69, 4-70, 4-72, 5-54, 5-57)

Dimensional Standards

- Clarified setbacks and placement of accessory structures (p. 4-61)
- Clarified rules regarding setback encroachments (pp. 8-11 to 8-13)
- Added clarity on distinctions between max. allowable density and maximum number of lots – “Allowable Residential Density.” Allowable residential density is the lesser of: maximum density or total number of allowable lots (pp. 8-13 through 8-15)

Development Standards

- Exempt and expedited subdivisions not subject to landscaping requirements (p. 5-31)
- Gravel is not a permitted ground cover with streetscape or perimeter landscaping buffers (pp. 5-33, 5-46)
- New applicability standards for commercial and mixed-use design standards (pp. 5-58, 5-59, 5-72, 5-73)
- More clarity for paving surfaces near customer entrances for commercial uses (p. 5-60)
- Increased encouragement for use of sustainable design options (pp. 2-19, 7-62)

- Allowance for religious institutions, schools, and fraternal clubs to have EMBs (p. 5-102)
- Increasing ground sign face area in residential districts; new separation rules for 2 ground signs on one lot (pp. 5-105. 5-106)
- Allowing up to 6 sf of window signage to be illuminated (p. 5-116)

Definitions

- Revisions to 8 definitions - Adult use, detached carport, family care home, multi-family, recreational vehicle, temporary office, unlicensed vehicle

Nonconformities

- Clarifications about additions to nonconforming single-family detached structures (p. 9-3)
- Clarifications about expansions of nonconforming structures (p. 9-5)

Mayor Pro Tem Owen inquired about active legislative bills that will affect city planning.

Mr. Meadows named and elaborated on H409 Regulation of Accessory Dwelling Units, H474 Facilitate Housing, H488 Code Council Reorganization and Various Code Amendments. He explains that these bills are still being amended and the NC Planning Association will have talking points out next week that will explain the impact of all of the bills mentioned.

Council discussed the recommended amendments to Fences and decided to remove the proposed recommendations to allow time for further discussion with staff on the concerns prompting the amendments and will plan to consider the fence revisions at a future date.

Ms. Lawson reported the Planning Department has performed communication and outreach to fence installers on the required permitting and has seen an increase in fence permits because of this communication and will be prepared to respond to questions raised by Council.

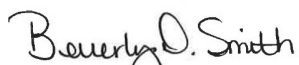
Following discussion, City Council consensus was to proceed as recommended holding public hearings as scheduled for the May 16, 2023, City Council Meeting.

F) City Manager Report

City Manager Honeycutt thanked the Budget Team for the time and effort in budget preparations. He introduced and recognized Elon University students in attendance from Mr. Honeycutt's American Government class.

G) Adjourn

The meeting adjourned at 7:02pm.



Beverly D. Smith, CMC, NCCMC, City Clerk

May 1, 2023, Work Session