

DRAFT MINUTES

TOWN OF APEX TOWN COUNCIL WORK SESSION TUESDAY, AUGUST 20, 2024 3:30 P.M.

The Apex Town Council met for a work session on Tuesday, August 20, 2024 at 3:30 p.m. at the Apex Town Hall located at 73 Hunter Street in Apex North Carolina.

This meeting was open to the public. Members of the public were able to attend this meeting in-person or watch online via the livestream on the Town's YouTube Channel:

<https://www.youtube.com/watch?v=QVZ4bTiAdio>

[ATTENDANCE]

Elected Body

Mayor Jacques K. Gilbert (presiding)

Mayor Pro-Tempore Ed Gray

Councilmember Brett Gantt (*attended virtually*)

Councilmember Arno Zegerman

Councilmember Audra Killingsworth

Absent: Councilmember Terry Mahaffey

Town Staff

Town Manager Randy Vosburg

Deputy Town Manager Shawn Purvis

Assistant Town Manager Demetria John

Assistant Town Manager Marty Stone

Town Attorney Laurie Hohe

Town Clerk Allen Coleman

Director Antwan Morrison

Director of Transportation and Infrastructure Chris Johnson

Transportation Engineering Manager Adam Stephenson

All other staff members will be identified appropriately below.

[COMMENCEMENT]

Mayor Gilbert called the meeting to order at 4:36 p.m., welcomed everyone, and led everyone in the pledge of allegiance.

[FINANCIAL ADVISORY INTRODUCTION AND DEBT FINANCING PRESENTATION]

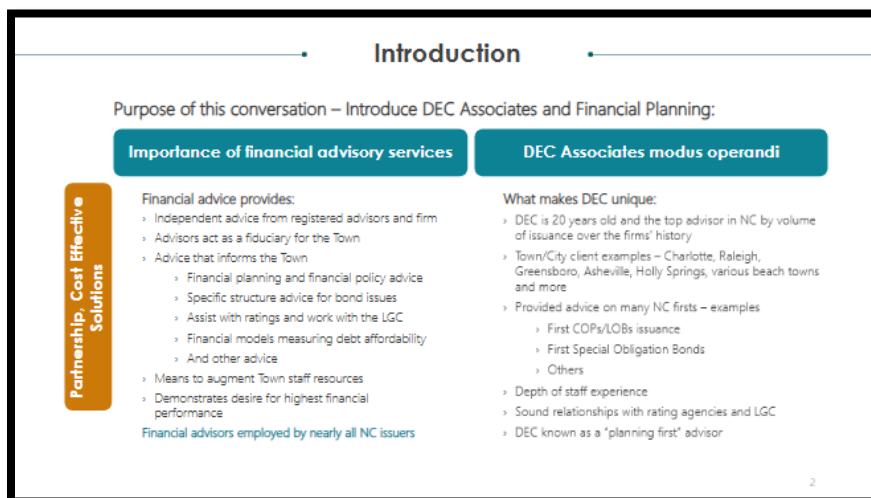
Mayor Gilbert introduced **Antwan Morrison**, Finance Director introduced the DEC Associates and Financing Emerging Concepts, the financial advisors for Apex and their team; Douglas Carter, President, Andrew Carter, Director and Jeremy Carter, Managing Director.

Mr. Jeremy Carter began the presentation.

[SLIDE 1]



[SLIDE 2]



Councilmember Zegerman asked to define PayGO.
Mr. Jeremy Carter said it was “pay as you go.”

1 **[SLIDE 3]**

Introduction

Purpose of this conversation – resource and capital affordability planning:

Importance of financial planning

Introduce, define, review

Planning provides:

- › Roadmap/evaluate current/future plans and policies
- › Achievement objectives – revenues and costs
- › Measuring – capital plan
 - › Plan funding – debt and other sources
 - › Greater financing alternatives
- › Tool to match needs/priorities – revenues and costs
- › Annual review – can change as needed
- › Stronger financial standing

Sound planning essential to lowest cost of services

Town's financial planning history

Increased use of planning tools:

- › Annual CIP budget
- › Use of financial policies
- › Issuance of debt only as necessary
- › Created capital reserves
- › Financial planning to meet growth and other needs
- › Triple A credit ratings
- › Others

Apex sound planner – Future – Moving to next level

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3 **[SLIDE 4]**

Introduction

Apex is moving positively in capital and debt planning:

Capital Improvement Plan (CIP)

Key Takeaways

Expanding the use of the CIP:

- › Capital Improvement Plan – general government and water and sewer/electric utility
- › Set aside resources for capital
 - › Capital reserves
 - › Specifically dedicated resources for debt/paygo
 - › Allocation in utilities – operating/capital
 - › Pay-as-you-go
- › Keeping flexibility to meet future needs/growth

Debt affordability

Defining affordability elements:

- › Debt and other policies must undergird the CIP
- › Use of both General Obligation (G.O.) bonds and Limited Obligation Bonds (LOBs) and Revenue Bonds
- › Meeting high quality credit criteria
- › Using appropriate means to fund the needs
- › Expanding/refining debt affordability model(s)
- › Debt structuring to meet resources
- › Continue to evaluate refunding opportunities

Town has a lot to be proud of. _____

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5 **Councilmember Zegerman** asked about primary objectives.

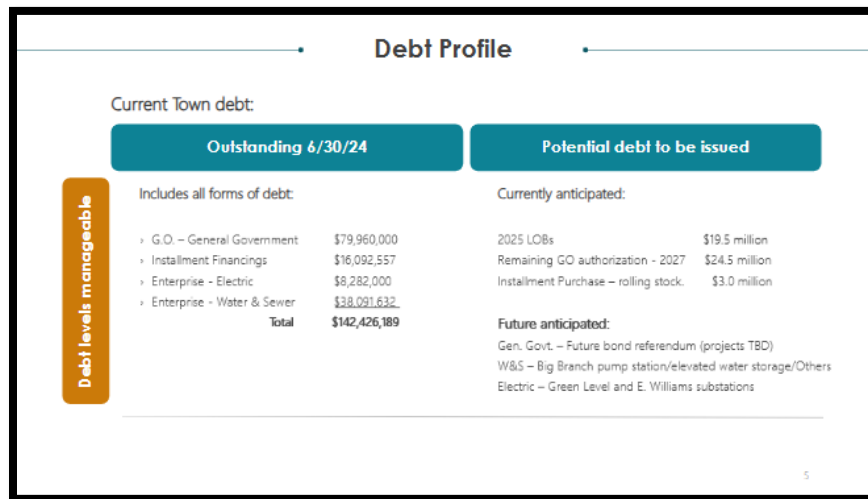
6 **Mr. Jeremy Carter** said that would be addressed in later slides.

7 **Councilmember Zegerman** asked why Parks and Recreation weren't included in the
8 Capital Improvements plan.

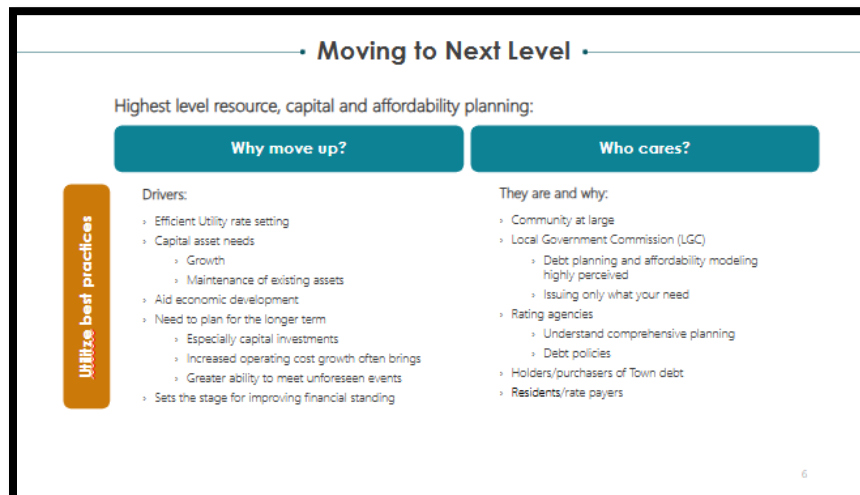
9 **Mr. Jeremy Carter** said that would be covered in General.

10 **Mr. Douglas Carter** began the next portion of the presentation.

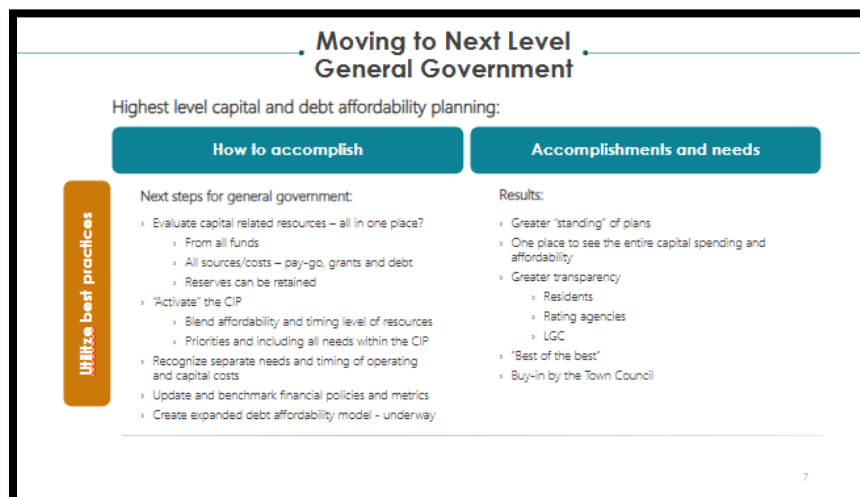
1 [SLIDE 5]



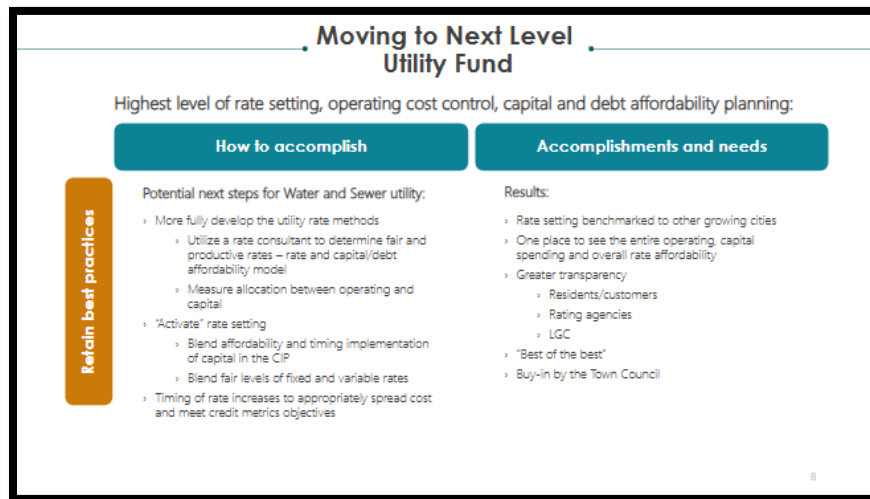
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3 [SLIDE 6]



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5 [SLIDE 7]



1 [SLIDE 8]



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3 **Councilmember Zegerman** asked why water and sewer were being mentioned and
4 there were no other utilities were being looked at.

5 **Mr. Douglas Carter** said that that was what they really had time to look at thoroughly,
6 as not as many municipalities do electric utilities.

7 **Councilmember Zegerman** said that there were challenges with rate collections and
8 the ElectriCities contract rate spikes.

9 **Director Morrison** said that they are looking at the water and sewer because of the
10 upcoming debt needs.

11 **Councilmember Zegerman** asked if usage was the only thing that was looked at.

12 **Mr. Douglas Carter** said other things were looked at such as fees, and there was a lot
13 of litigiousness regarding those rates. He said there would be lots on time with the rate
14 consultant.

15 **Councilmember Zegerman** asked was there was an analysis of sewer and developer
16 rates last year. He asked if this was a reassessment of the plan from last year.

17 **Assistant Town Manager Stone** said this was not redoing the Capital reimbursement
18 fees. He said that was done every 5 years.

19 **Councilmember Killingsworth** said that it was a discussion during a presentation to
20 the Council in preparation of projects.

21 **Councilmember Zegerman** said planning for the future was about building the
22 reserve.

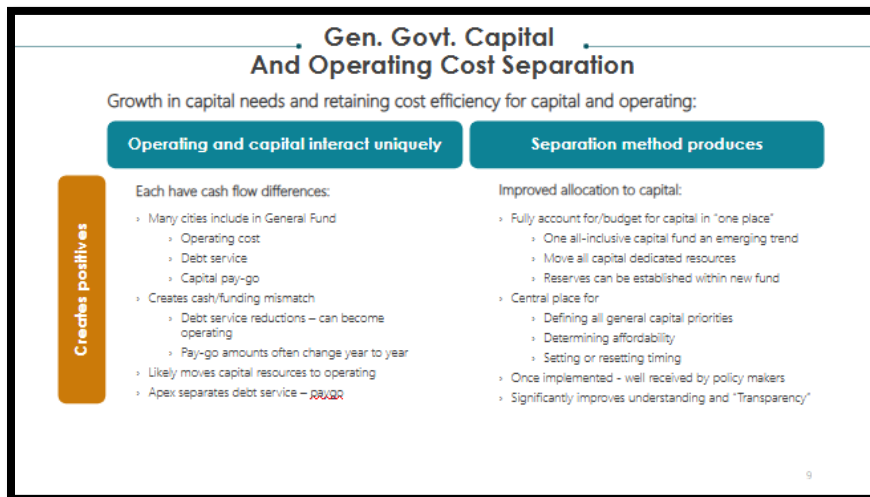
23 **Director Morrison** said that’s where the affordability planning comes in.

24 **Assistant Town Manager Stone** explained how sometimes the projects in the Capital
25 Plan are better to wait on in terms of how they affect Capital Reimbursement Fees.

26 **Councilmember Zegerman** said those are just one piece of the puzzle, and they still
27 need to plan ahead.

28 **Mr. Douglas Carter** said Capital Reimbursement Fees are also highly controlled by
29 the legislature, and they have to be very careful about watching different types of fees over
30 time and how they change.

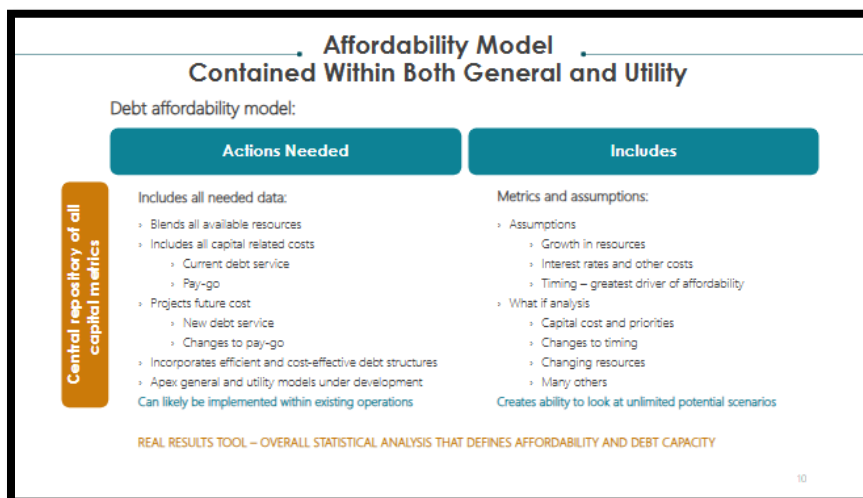
1 **[SLIDE 9]**



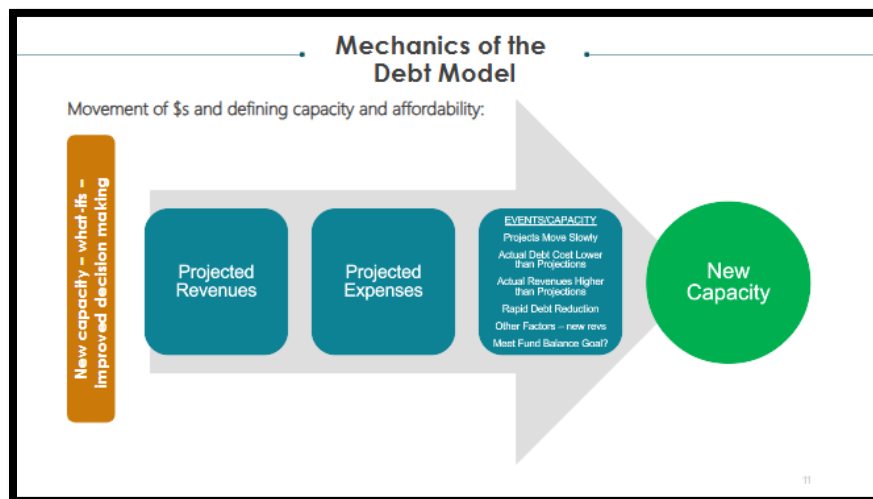
2 **Councilmember Zegerman** asked about the utility funds being self-funded.

3 **Mr. Douglas Carter** said that the enterprises would not be in the General funds,
4 Enterprise funds have to be separate. He said General Funds could be more flexible based on
5 State Law as well.
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7 **[SLIDE 10]**



1 **[SLIDE 11]**



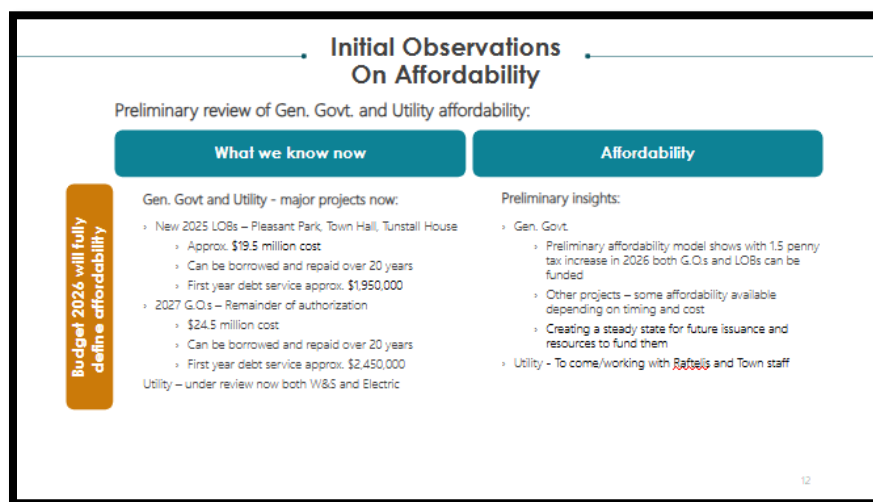
2 **Councilmember Zegerman** asked where policy comes into play for this plan.

3 **Mr. Andrew Carter** said the policies will guide what the guardrails will be on the
4 models. He explained how the model would help calculate what may be going on in future
5 years. He said there could be adjustments to current policies.

6 **Councilmember Zegerman** wondered if they were restricting themselves a little too
7 much considering the growth, and if they had more wiggle room on what they could do while
8 maintaining their rating.

9 **Mr. Andrew Carter** said that would be part of the more in-depth conversations they
10 would have.

11 **[SLIDE 12]**



14 **Councilmember Zegerman** asked about putting all Capital expenditures and debt
15 service payments in one bucket.

16 **Mr. Andrew Carter** said they referred to it as General Government for most
17 expenditures.

Mr. Douglas Carter said in future discussions they would refer to the “steady state”, which refers to planning ahead based on the revenues they know they will generate in the future.

[SLIDE 13]

FINALLY
The Summary

What have we learned: Moving to the next level of affordability planning improves many things and Apex is on the way.

	Town Accomplishments Thus Far	Potential Next Steps
Summary Takeaways	<p>Gen. Govt and Utility – both have pluses:</p> <ul style="list-style-type: none">› Strong growth and numerous community investments› High credit ratings› Use of financial policies› Use of multi-year CIP› Establishment of various capital reserves› Sound financial position – Gen. Govt. and Utility› Funding for future capital needs beyond current projects likely will require additional resources› Others	<p>Moving to highest level of best practices:</p> <ul style="list-style-type: none">› Implementation of Gen. Govt. Community Investment Fund?› Develop and maintain debt affordability model(s)› Expand financial policies to include affordability elements› W&S rate and affordability consultant recommendations› Plan for efficient and timely use of future debt capacity› Continue to manage to highest credit rating standards› Manage future population growth capital needs efficiently› Maintain fair and adequate utility rates to meet growth› Others

BOTTOM LINE - GREATER TRANSPARENCY AND MEANS TO DEFINE AND JUSTIFY COST EFFICIENT CAPITAL INVESTMENT

13

Councilmember Zegerman asked what the timelines and the next steps for a follow-up conversation were.

Mr. Douglas Carter said they need to discuss Council’s views and meet with staff again, and they can fit in however Apex staff wants them to.

Councilmember Zegerman asked staff and colleagues how they wanted to work on this.

Mayor Gilbert said this should probably be another meeting, since Councilmember Mahaffey was not here.

Mayor Pro Tempore Gray said a lot of the conversation would be about the adjustments that could be made and the variables that could come up for projects and funding.

Town Manager Vosburg said they could potentially do it in the Fall Retreat.

Mayor Pro Tempore Gray asked to ensure this was part of the larger planning.

Deputy Town Manager Purvis said that it would be. He said there have been other conversations about the policies that can be utilized, and see where certain projects can fit.

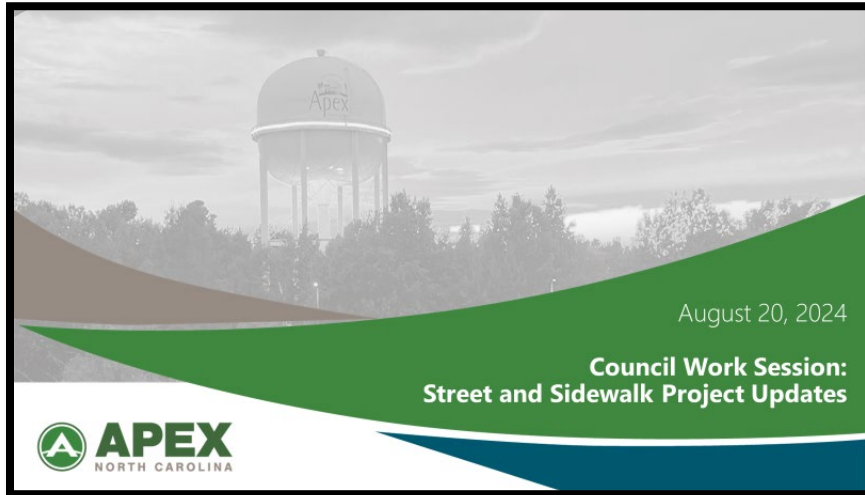
Mr. Douglas Carter said it was a process, and it is constantly changing as things change.

Mayor Gilbert said there would be a break at 5:40 p.m.

[STREET AND SIDEWALK DESIGN UPDATES]

Chris Johnson, Transportation and Infrastructure Director, gave an overview on Street and Sidewalk Design updates. He introduced Adam Stephenson, Transportation Engineering Manager, and said he would be presenting as well.

[SLIDE 1]



[SLIDE 2]



1 **[SLIDE 3]**

Capital Improvement Plan (CIP)				
		FY24-25	FY25-26	FY26-27
Transportation				
FY23-24	Annual Pavement Management	4,000,000	3,625,000	3,750,000
	Annual Miscellaneous Road & Sidewalk Improvements	450,000	300,000	300,000
	Annual GoApex Transit Improvements	200,000	200,000	200,000
	Apex Parkway North Widening	900,000	1,200,000	3,650,000
	Center Street Railroad Crossing Improvements	150,000	50,000	800,000
	Chatham Street Railroad Crossing Improvements	150,000	50,000	800,000
	Felton Grove High School Improvements Cost Share	300,000	-	-
	GoApex Transit Program	100,000	690,000	-
	Jessie Drive Phase 1	1,500,000	4,350,000	-
	Old US 1 at Friendship Road Improvements Cost Share	200,000	-	-
	Olive Chapel Rd at Apex Barbecue Road Improvements	450,000	550,000	1,800,000
	Safe Routes to School	5,000,000	1,642,330	1,207,160
	South Salem Street Bicycle Connection	740,000	890,000	2,970,000
	Technology Drive Enhancements Cost Share (H4-0007)	300,000	-	-
	Vision Zero - Intersection Upgrades	150,000	850,000	850,000
	Wayfinding Signage Fabrication & Installation	400,000	500,000	500,000
	West Williams Street Sidewalk	150,000	50,000	750,000
	Apex Parkway Southwest Landscaping	-	75,000	250,000
	GPS Emergency Vehicle Preemption	-	205,000	220,000
	Jones Street Improvements	-	300,000	-
	Pavement Management Backlog	-	5,000,000	-
	S-line Mobility Hub	-	460,000	-
	Salem Street Downtown Streetscape, Gathering Space, & Alleys	-	2,350,000	2,765,000
	Center Street and Chatham Street Sidewalk Phase 2	-	-	260,000
	Jessie Drive Phase 2	-	-	2,330,000

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3 **[SLIDE 4]**

Safe Routes to School

- Identification of needs
 - Principal meetings ~ two years
 - Apex PD insights
 - Resident requests
 - Prioritization database
- Current Projects:
 - Hughes St (E Chatham St to Community Center)
 - Mason St (E Moore St to E Chatham St)
 - Public Open House held on February 14th

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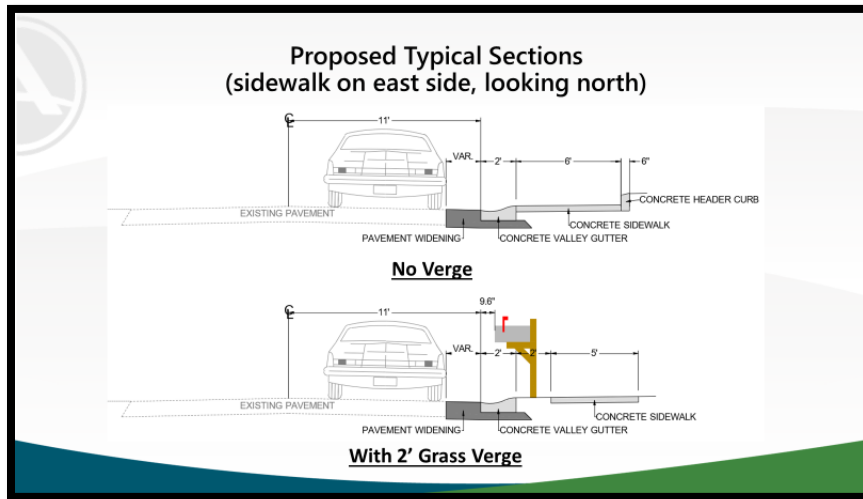
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1 **[SLIDE 5]**



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3 **Councilmember Killingsworth** asked about stormwater.

4 **Director Johnson** said that some of the areas don't have a ditch so it would be just
5 changing into curb and gutter.

6 **Mr. Stephenson** said that this was a big improvement on frontages where they are
7 inundated with drainage currently.

8 **[SLIDE 6]**



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10 **Councilmember Zegerman** asked if both concepts were being implemented.

11 **Manager Stephenson** said yes, around 50-50 based on current plans.

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[SLIDE 7]



Councilmember Gantt asked how this would interact with the gate at the senior center.

Mr. Stephenson said the gate crosses the road.

Director Johnson said it would be up to Council if the gate would stay open, but pedestrians would still have access to the sidewalk there either way.

Councilmember Gantt said he was in favor of having the gate open, and he thinks Council should discuss that.

Mayor Gilbert asked if there have been any responses from the Community members.

Director Johnson said there had been mixed opinions from the Community.

Mr. Stephenson said that there was one resident on that block had concerns about truck traffic.

Councilmember Zegerman asked about the crosswalk on Hughes and Center Street.

Mr. Stephenson said that they would not plan to mark a crosswalk on Center Street. He said the Safety Engineer did a study, and it was not warranted at this time.

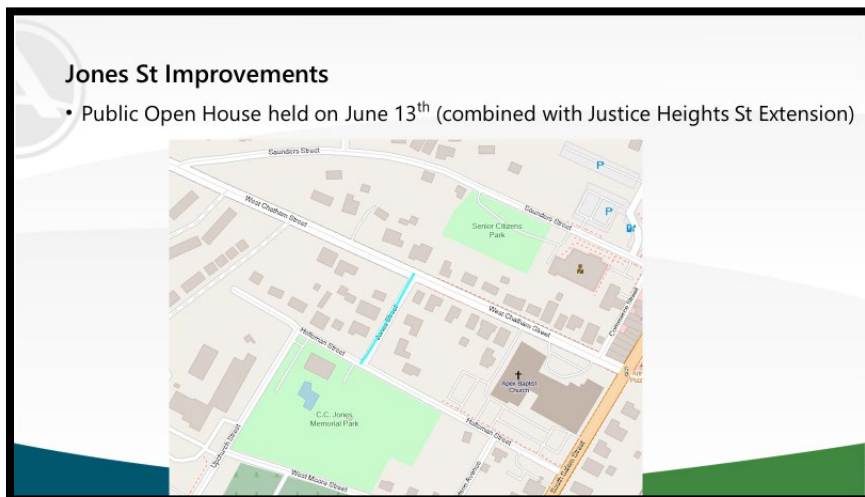
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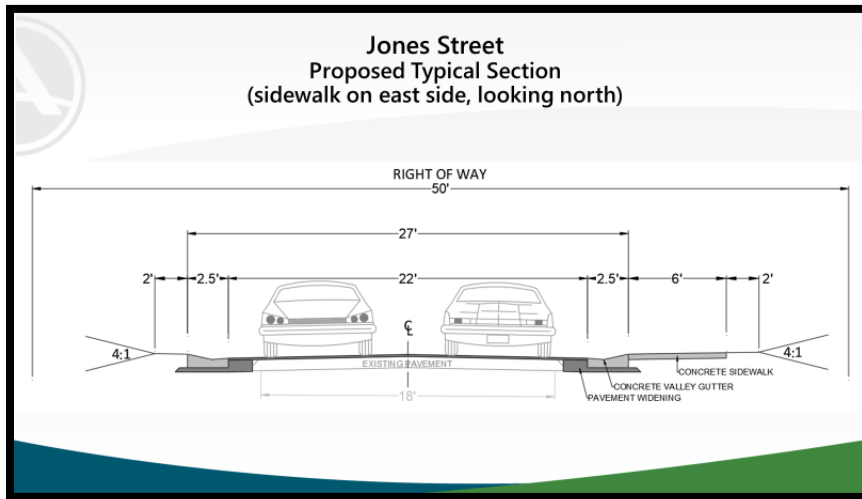


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5 [SLIDE 10]



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1 **[SLIDE 11]**



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3 **[SLIDE 12]**



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5 **Councilmember Killingsworth** asked if it was just the sidewalks on Jones Street.
6 **Manager Stephenson** said that was correct and it was the east side only.

1 **[SLIDE 16]**



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3 **Councilmember Zegerman** asked if they were talking about the entire length of
4 Justice Hight's Street.

5 **Mr. Stephenson** said it was to Gumdrops Path.

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7 **[SLIDE 17]**

Current Schedules

	2024		2025				2026	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
N. Hughes Street Sidewalk	DESIGN		RIGHT OF WAY		CONSTRUCTION			
S. Mason Street Sidewalk	DESIGN		RIGHT OF WAY		CONSTRUCTION			
Jones Street Widening	DESIGN		RIGHT OF WAY		CONSTRUCTION			
Justice Heights Extension	DESIGN		RIGHT OF WAY		CONSTRUCTION			

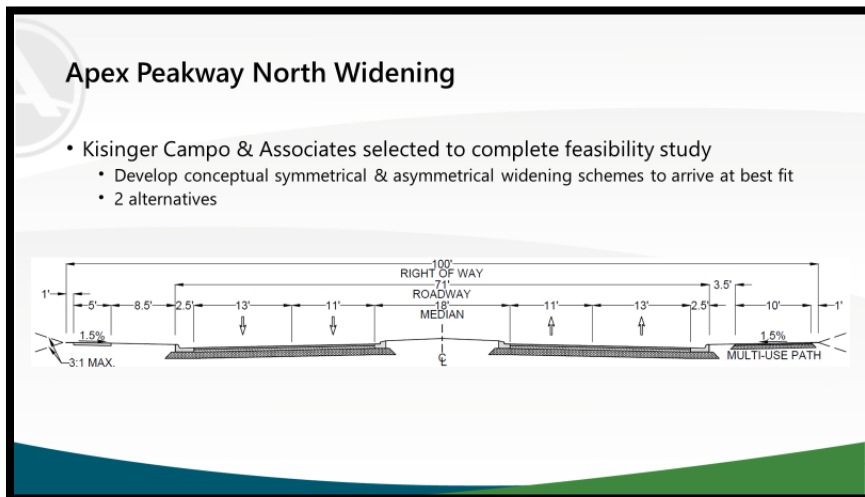
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9 **[SLIDE 18]**



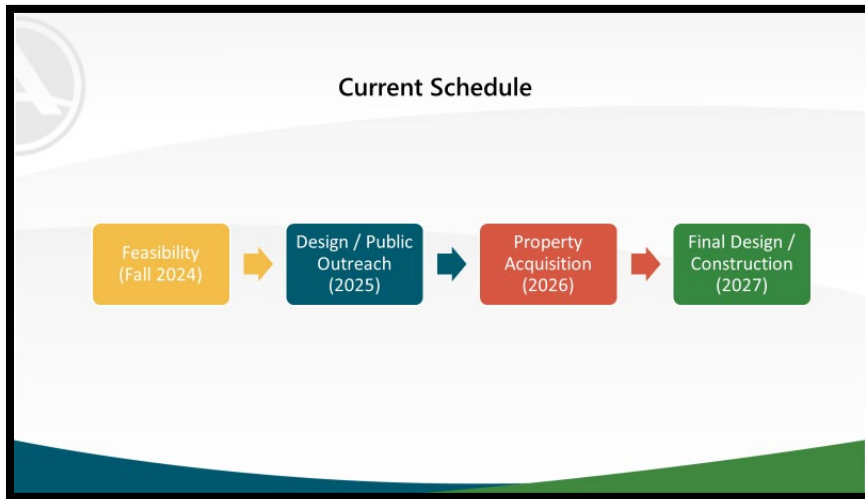
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[SLIDE 20]



1 **[SLIDE 21]**



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3 **[SLIDE 22]**

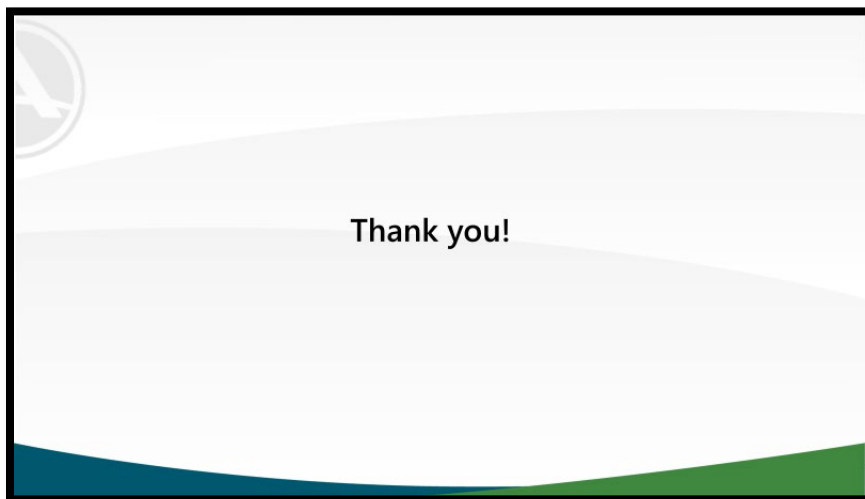
Apex Peakway North Widening

Project impacts:

- 807 Center St (Peakway LLC)
- Old Mill Village frontage
- Stream crossing
- Widening and pavement marking transitions at/through Old Raleigh Rd intersection and Ten Ten Rd intersection

Three photographs are included: a street view of a building at a corner, an aerial view of a road intersection, and a street view of a residential area.

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5 **[SLIDE 23]**



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1 **Councilmember Zegerman** said that there was no crosswalk on North Hughes Street.
2 He asked how people would get to the section of the sidewalk between Center Street and
3 Town Hall without a connection of the sidewalk.

4 **Director Johnson** said that they could put a marked crosswalk, but it is not something
5 that is usually done without a beacon or signal.

6 **Councilmember Zegerman** was concerned about kids crossing over Center Street in
7 an unmarked crossing. He said it would be safer for them to stay on Mason Street and use
8 the signal intersection and walk Mason Street to enter the John Brown Community Center
9 instead of through Hughes Street.

10 **Councilmember Killingsworth** said crossing in front of the traffic was not safe. She
11 agreed with Councilmember Zegerman.

12 **Councilmember Zegerman** asked how Center Street would be crossed. He said that
13 something would have to be done on the north side of Center Street to make the connection.
14 He asked staff to take a look at options for the crossings in this area to make them safer and
15 more accessible on the north side of Center Street.

16 **Councilmember Gantt** said that it was his understanding that kids are walking now in
17 the street. He said that it may be safer to walk on the sidewalk in that part of Hughes instead
18 of in the street.

19 **Councilmember Zegerman** said that he wasn't against the idea of building that
20 sidewalk. He said he just wanted to make sure that there was thought given to the connective
21 tissue at that location. He said that either do at Hughes Street or if it is too close to Mason
22 Street then decide out how to cross at Mason.

23 **Director Johnson** said they would look to make it safe as possible they could look at
24 the beacon with a crosswalk.

25 **Mayor Gilbert** thanked staff for the presentation.

26 **Mayor Pro Tempore Gray** asked about property acquisition.

27 **Director Johnson** said that it should not take long for the property acquisition. He
28 said maybe 4 months.

29 **Mr. Stephenson** said that they were only working with one owner.

30
31 **[ADJOURNEMENT]**

32 **Mayor Gilbert** adjourned the meeting at **6:14 p.m.**

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35
36 Allen Coleman, CMC, NCCCC
37 Town Clerk to the Apex Town Council

38
39 Submitted for approval by Apex Town Clerk Allen Coleman

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41 Minutes approved on _____ of _____, 2024.

Jacques K. Gilbert
Apex, Mayor