Town of Montreat
Board of Commissioners
Town Council Special Meeting
May 21, 2015
Walkup Building

Board members present: Commissioner Martha Campbell
Commissioner Tim Helms
Commissioner Jack McCaskill
Commissioner Ann Vinson

Board members absent: Mayor Letta Jean Taylor
Mayor Pro Tem Mary Standaert

Town staff present: Ron Nalley, Town Administrator
Misty R. Gedlinske, Town Clerk
Steve Freeman, Public Works Director
Stefan Stackhouse, Finance Officer
David Currie/Building Inspector/Code Administrator
Justyn Whitson, Police Officer

Approximately 15 members of the public were also present. Commissioner Jack McCaskill called the meeting to order at 7:00 p.m., led the group in reciting the Pledge of Allegiance and in prayer.

Agenda Approval

Commissioner McCaskill welcomed everyone to the meeting. Commissioner Campbell requested to add Resolution #15-05-0001 to the Agenda as New Business Item D. Commissioner Vinson made a motion to approve the Agenda as amended. Commissioner Helms seconded and the motion to approve the Agenda as amended carried 4/0.

Certificates of Appreciation: 2015 Native Plant Sale and Arbor Day Celebration

Shannon Ingersoll and Misty Varnell were recognized with Certificates of Appreciation for their leadership and assistance with the 2015 Native Plant Sale and Arbor Day Celebration. Due to prior commitments, neither could attend tonight's meeting so the certificates will be presented to them at the Montreat Landcare meeting or mailed.

Presentation to Council: 2015-2016 Fiscal Year Budget

Mr. Nalley presented the proposed 2015-2016 Fiscal Year Budget in the amount of $2,921,650. The budget is balanced and is prepared in accordance with the Local Government Budget and Fiscal Control Act and in accordance with Local Government Commission guidelines. The data presented is materially accurate and presented in a manner which fairly reflects the financial position and operations of the Town as measured by the financial activity of its various funds.

Significant factors influencing the proposed Budget include the current state and national economic conditions, the funding of capital projects as identified in the Capital Improvements Plan, fuel and utility cost increases and employee benefit costs. Staff feels that the proposed Budget assigns funding priorities based on Board input and direction, and that it fulfills obligations made by the Board or imposed by other levels of government.

The tax rate necessary to fund this budget is $0.41 per $100 in property valuation, a continuation of the current fiscal year's ad valorem tax rate. Each penny of the tax rate generates $23,220 in revenues for the Town. General Fund operating revenues are budgeted at $2,566,050, a decrease of approximately 5.2%, or $139,897 from the current year. Water Fund operation revenues are budgeted at $355,600, a decrease of $183,400, or 34% from the current fiscal year. Water rates are proposed to remain at $4.83 per 1,000 gallons of usage. The proposed Budget is on file at the Town Services Office and will be posted to the Town's website, www.townofmontreat.org. Following the June 11 Public Hearing, the Board may choose to set Special Meetings for additional Budget discussion at their discretion. Adoption of the final Budget Ordinance is scheduled for June 25. Mr. Nalley encouraged the Board to hold at least one or more budget workshop meetings to fully discuss the revenue and expenditure recommendations contained within the proposed budget.

Brief discussion was heard concerning North Carolina Senate Bill 369 and 608 currently under consideration in the NC Senate. The Bills propose to distribute all sales tax revenues on a per capita basis at the state and local level. Buncombe County municipalities currently receive these distributions on an ad valorem basis. For Montreat, the loss in local sales tax revenues under the currently proposed bill language is estimated at $223,605, a 67% decrease. This projected loss of revenue would be equivalent to 10 cents on the tax rate. Mr. Nalley encouraged the Board to monitor the status of these bills very closely throughout this legislative session due to the devastating impact they would have on the Town's revenues if passed during the next fiscal year.

Mayor's Communications

Mayor Taylor was absent and had no report at this time.

Consent Agenda Review

The proposed Consent Agenda included the following items:

- April 9, 2015 Town Council Meeting Minutes Adoption;
- April 22, 2015 Annual Board Retreat Minutes Adoption;
- Call for a Public Hearing on June 11, 2015 at 7:00 p.m. or as soon thereafter as possible for discussion of the proposed 2015-2016 Fiscal Year Budget;
- Adoption of the 2015-2016 Departmental Goals and Objectives;

- Adoption of Fiscal Year 2015-2016 Budget Amendment #3 to account for additional legal fees and technology support services. Upon request, Mr. Nalley reported that the Town has spent $28,400 in legal fees and has an additional $8,000 pending payment totaling approximately $36,100. Mr. Nalley expects that the Town will spend an additional $27,000 on legal fees by July 1;
- Adoption of Fiscal Year 2015-2016 Budget Amendment #4 to account for indirect cost allocations from the General Fund to the Water Fund.

Town Administrator's Communications

- Engineering and design work for the Texas Road bridge replacement project continues, and preliminary plans at 75% are completed except for the hydrology portions of the plan currently being reviewed by the North Carolina Department of Transportation. Commissioner McCaskill, Commissioner Helms and staff participated in a conference call with KCI to discuss concerns expressed by the Board at their annual Retreat. As follow-up to these discussions, KCI is again including monthly updates on the project and are on schedule for a late August or early September let date for the construction contract. Mr. Nalley stated that there are still some design concerns discussed during the conference call that are being worked out and he feels that KCI has been somewhat responsive to those concerns. Commissioner Helms stated that during the call, many of the concerns from the community were addressed, more specifically those relating to the appearance characteristics of the bridge, including the wall and headwall design and finishing, powder coated guardrails and railings, and landscaping to soften the look of the finished wall. Commissioner McCaskill commented on the hydrology and historical flood data and his concern that the figures used in determining the bridge's length and elevation are not accurate. Commissioner Campbell thanked Commissioner's McCaskill and Helms for representing the Council on the conference call in trying to resolve some the Council's concerns with the bridge project. In response to Commissioner Campbell's question, Mr. Nalley reported that a rendering of the bridge was not included in KCI's contract and that this additional cost would be solely that of the Towns. KCI estimated the cost for a rendering to be around $10,000 to $15,000. Mr. Nalley suggested that if the Board was still interested in this, that staff be given the opportunity to call a few local engineering firms to determine what their cost might be. By consensus, the Board asked Mr. Nalley to continue to research this matter.
- The work for the Well A02 replacement project has been completed and the Public Works Department will be monitoring the well to determine if the repairs have been successful.
- There is no new information to report on the Town's continued efforts to correct township name and ZIP code inaccuracies in Montreat's voter registration database.

- Mr. Nalley congratulated and thanked Mr. Stackhouse for his work in the Town receiving a Certificate for Excellence in Financial Reporting for the third year.

- Mr. Nalley recognized Town Clerk Misty Gedlinske and announced that her last day with the Town will be May 22nd. Mr. Nalley thanked Misty for her ten years of service to the Town and wished her well in her future endeavors. The Town will begin the search for a new Town Clerk soon and that in the immediate future, the Town Clerk duties will be reassigned among existing staff.

- Van Talmage has resigned from the Planning and Zoning Commission and a replacement is needed. Mr. Nalley reported that we have received one application and that this matter will be presented to the Board at their June meeting. Mr. Nalley also encouraged those interested in serving on the Commission to please apply by submitting an application to the Town.

- Mike Brackett, who is responsible for cleaning the Town Services Building, will no longer be able to continue his service contract with the Town due to health reasons. Staff will begin searching for a replacement immediately.

- Mr. Nalley congratulated David Currie on the successful completion of his Level III Building Inspector Certificates. Mr. Nalley reported that Mr. Currie is now eligible for a five percent salary increase in keeping with the Personnel Policy and with Mr. Currie's employment agreement which awarded an increase based on successful completion of his Level I and Level II Certificates.

- Mr. Nalley expressed his appreciation and thanks to Gus Currie and the Currie family for providing lunch to town staff on May 12th.

Administrative Reports

Police Chief: Chief Staggs was absent. Officer Whitson presented and reviewed the April 2015 monthly departmental activity report. Officer Whitson reported on the Weed Lane Fire in Ridgecrest and the Town's public safety response to the fire. Master Patrol Officer Dave Arrant was thanked for his outstanding performance during the fire. Brief discussion was heard concerning the Town's Ordinances prohibiting open burning. Recreational fires that are properly contained are allowed within the Town Limits, however the burning of leaves, brush, garbage and large bonfires are not allowed.

Public Works Director: Mr. Freeman reported that sanitation collection will be Tuesday, May 26 due to the Memorial Day Holiday. Crews have completed the FEMA project on Oklahoma Terrace and are now working to complete the Well A02 project on Greybeard Trail. The street crew is completing the pothole patching and curbing damaged during the winter storms. C&T Paving is scheduled to begin paving Peace Lane, sections of Appalachian Way and John Knox Road, weather

permitting. Upon a question from the audience, Mr. Freeman stated that Assembly Drive was closed earlier in the day in order to remove an oak tree that was threatening power lines. Mr. Freeman also responded to a question from Commissioner Campbell, explaining that for the small FEMA projects, the Town has already received the money for the repairs, while the large project on Greybeard Trail is a project in which the Town will be reimbursed after the repairs are made.

Finance Officer: Mr. Stackhouse presented and reviewed the following monthly reports:

- March 2015 Financial Summary Report;
- Final March 2015 Financial Statement;
- Preliminary April 2015 Financial Statement;
- April 30, 2015 Cash and Investment Earnings Report.

Building Inspector/Code Administrator: Mr. Currie presented and reviewed his monthly zoning and inspections activity report. Mr. Currie then summarized the history and background of the adoption of the Stormwater Ordinance and highlighted the stream buffer requirements that were required by the State and adopted as part of the Ordinance. Mr. Currie provided information on how the evaluation, classification and ranking of surface waters are completed. In response to a question at the last meeting from the Board, Mr. Currie discussed the Richardson lot on Greybeard Trail, showing a map of the buffer impact and evaluation of the stream buffer requirements on the lot. Commissioner Vinson confirmed with Mr. Currie that the stream buffer requirements will be discussed at the July Planning and Zoning Commission meeting. In response to a question from Commissioner Campbell, Mr. Currie stated that there was no charge to the property owner for the evaluation of their property by the Division of Water Quality. The Planning and Zoning Commission met to discuss revisions to Montreat General Ordinance Chapter I, Article II "Noise Control," and will be sending their recommendations back to the Board of Commissioners in June for a public hearing scheduled in July. The Board of Adjustment did not meet during the past month and had no hearings pending at this time.

Public Comment – Agenda Items

Commissioner McCaskill reiterated that this Public Comment period was intended for remarks pertaining to items listed on the meeting agenda, including staff reports and communications.

Mr. Kent Smith of 513 Greybeard Trail stated that he has read the status report of the sanitation conversation and is pleased by it. He believes that having some solution on Saturday morning is very important. Mr. Smith also realizes that this has to be paid for somehow, and is concerned about the per bag fee and the requirement of having exact change. He also encouraged the Board to consider a solution for the holidays as well.

Mr. Don Reid of 127 Shenandoah Terrace feels that no one on the Board of Commissioners likes the bridge and does not feel that the public does either. After reviewing the drawings, it seems that the bridge is 40 feet wide, 65 feet long and seven feet high with a retaining wall. Mr. Reid felt that the small changes discussed earlier in the meeting were not sufficient and does not address the real issues. Mr. Reid requested that the Town provide information on how much money has been spent on the project and whether it is possible to walk away from the project and build a walking bridge instead.

Old Business

A. Resolution Confirming Assessment Roll and Levying Assessments – Upper Kentucky Road Phase 1 Neighborhood Assessment Project: Mr. Nalley reported that Item A under Old Business will be deferred until the Board's meeting and scheduled public hearing on June 11th.

B. Resolution Confirming Assessment Roll and Levying Assessments – Upper Kentucky Road Phase 1 Resident Assessment Project: Mr. Nalley reported that Item B under Old Business will be deferred until the Board's meeting and scheduled public hearing on June 11th.

New Business

A. Sanitation Services Discussion: In 2006, Montreat began offering residential sanitation, recycling and yard waste collection services as a Town-operated program. Household garbage and recyclables are collected year-round at curbside every Monday and bi-weekly on Mondays and Fridays from June through August. A Public Works Department employee drives an open bed sanitation collection truck, and First, Inc. provides contract laborers to assist in loading items onto the truck and then off-load them into the compactors and recycling containers located in the fenced facility behind the Town Services Office. This facility is also open to the public from 7 a.m. until 5 p.m. Monday through Thursday for household garbage, recycling and corrugated cardboard disposal. Special collection of bulk items, white goods, non-hazardous materials and excess yard waste is available for an additional fee.

The Town's compactor lease and hauling contract with Consolidated Waste Services is coming to an end, and the sanitation truck is scheduled for replacement in 2016. Staff feels this is an appropriate opportunity to give an evaluation of the current program, identify challenges, and make suggestions for improvements. Montreat residents seem pleased overall with the high level of sanitation collection service the Town currently provides. However, staff has noted that the process is labor-intensive, with disposed items being collected at curbside and off-loaded at the compactor facility by hand. Offering a second weekly pickup during the summer increases contract labor, fuel, and other related program costs. Large amounts of yard waste and brush often place a strain on weekly collection efforts. The compactor site is being used more often by residents as a convenience center, which creates public safety concerns as the site was not designed or intended for this type of use. Illegal dumping and other unauthorized

use of the compactor site are continual problems. Increased education efforts are also needed for specific disposal topics including container rules, bear-proof container requirements, bulk item disposal and special collection services.

In an effort to address these concerns, staff has considered several alternative service delivery methods:

Alternative One: Upgrade the current sanitation vehicle to a compactor truck at a cost of approximately $120,000. Existing Public Works Department employees would collect curbside garbage, recycling, and yard waste once per week year-round. Twice-weekly collection could continue during the summer months if a higher level of service is still desired during these periods. All trash and recycling would be taken directly from the Town to the Buncombe County landfill. The compactor site would be closed and all equipment removed, thus eliminating all container rental and haul fees for the Town.

Alternative Two: Continue the current curbside collection services method and schedule, while permanently closing the compactor site to the public. Although changes to the dumpster facility's operation hours have reduced illegal dumping and unauthorized compactor use to some degree, these problems still continue. This option may be unpopular with those residents and visitors who now use it as a convenience center, but will ensure that those who are paying for sanitation services through property taxes or collection contract fees are the only beneficiaries of the program. Site safety and liability concerns would also be eliminated by implementing this option.

Alternative Three: Eliminate curbside collection and develop a safe, efficient convenience center for the disposal of household garbage and recyclables. Under this alternative, the Town would continue to offer back door service, bulk collections and special pickups for an additional fee. The collection center would be staffed and a system developed through either a per-use disposal fee or tag system that limits use of the facility to Montreat residents and visitors only.

Alternative Four: Make no changes to the current sanitation collection system or schedule. Under this alternative, staff would recommend certain improvements to the compactor site in order to address safety and liability concerns. The Board should be aware that operational and personnel costs will continue to increase over time with this option, and that these costs are directly linked to the Town's ad valorem tax rate. Staff feels that this option is only attractive if Montreat taxpayers are willing to accept future cost increases and continued use of the compactor facility by non-residents in exchange for their current high level of service.

Staff feels strongly that any decision to alter the current sanitation service delivery system should be made within the next six months. This will give ample time for public input, Board

deliberation and additional research into the advantages, disadvantages, costs and savings associated with each alternative.

At their annual Retreat, the Board had an opportunity to discuss these alternatives as well as several combinations of those alternatives. The Board agreed by consensus for Town staff to prepare a proposal to staff the dumpster facility so that it can remain open to the public on certain days of the week, and to fund the facility's personnel and operational costs by charging a "pay as you throw" disposal fee. Mr. Nalley then summarized the details of the following proposal:

> The Town will continue to collect garbage curbside following the existing schedule. The compactor site located behind the Town Services Office will be staffed and not accessible to the general public. The Town will staff the site Tuesday through Thursday from 1:00 p.m. to 5:00 p.m. from September through May and during June through August, from Tuesday through Friday from 1:00 p.m. to 5:00 p.m. and Saturdays from 7:00 a.m. until 12:00 p.m.
>
> The site will be operated in a "pay as you throw" manner, meaning that the site will be open to the public during those times, but residents and visitors will now pay for the use of the compactor site/convenience center through a per bag fee system. The suggested fee schedule is as follows: Bags smaller than a kitchen trash bag - $1.00 per bag; Kitchen trash bags (13 gallons) - $2.00 per bag; Recycling bags (all sizes) - $ 2.00 per bag; Bags larger than 13 gallons - $3.00 per bag and Cardboard will be based on estimated bag size.
>
> Staff does not expect the revenue generated from the fees to be sufficient to meet the annual costs of supporting the program. It is anticipated that the Town will see a reduction in the amount of garbage associated with illegal dumping, which in turn will reduce tipping fees and hauling costs. The site attendant will be a part-time employee placed under the supervision of the Public Works Director. The attendant will be responsible for managing the overall site, including collecting the bags from the resident or visitor, managing the fee payment and lock box, and disposing of the bags in the appropriate containers.
>
> Costs for initiating the program are estimated at $12,750.00 with $3,000 of that amount being one-time costs for start-up.

Mr. Nalley concluded by stating that the temporary service plan will address several of the more immediate concerns with the compactor site while allowing the Board to monitor the program during the summer to determine if it is sufficiently meeting the needs of the community. It will also allow the Board an opportunity to hold one Town Hall meeting focused on the Town's sanitation program. The purpose of this meeting will be to discuss the sanitation program, the challenges of operating the program, and to receive feedback on what aspects of the existing program are most important to residents and visitors. With that

information and any additional research, the Board will be in a position to review any alternative service delivery methods and made a final decision on potential changes to improve the overall program and meet the Town's current program challenges.

In response to a question from Commissioner Vinson, Mr. Nalley responded that CWS is Consolidated Waste Services and that they are contracted with by the Town for the lease, maintenance and hauling of the compactors to the landfill. Commissioner Campbell appreciated the development of the temporary plan and that it responds to concerns expressed in the community about Saturday service. Commissioner Campbell also felt that more education was needed about bear proof containers, especially for those who rent their homes. In response to a question from Commissioner Campbell, Mr. Nalley stated that staff will only keep records of the number of people that use the site and the number of bags that are disposed at the site. Discussion continued regarding the specific operation of the site, including attendant responsibilities, the need for exact change and payment envelopes, continued education efforts, security at the site, hesitancy of using volunteers at the site, and steps for implementation.

Commissioner Helms commented that we live in a unique community and that the Town has created a level of service unknown to most other communities and that will be difficult to change. Commissioner Helms prefers to look at the pay as you throw system for a period of time and see how it goes. Mr. Nalley responded that staff has provided the Board with a temporary plan to make it through summer, when in about six months, tougher decisions will be necessary as longer term decisions are needed to be made about the service. Commissioner Campbell made a motion that the Town proceed with the temporary service plan as outlined by staff. Commissioner Vinson seconded the motion. During discussion, Mr. Freeman stated that he felt the plan could be implemented by June 13th. Commissioner Helms expressed his interest in finding a definitive time to end the temporary plan. Commissioner Vinson felt that following the same time period as biweekly collection would be sufficient time to review the plan and determine its effectiveness. This time period would also allow for the scheduling of a special meeting to discuss sanitation services. There being no further discussion, the motion passed 3/1 with Commissioner McCaskill voting against the motion. Commissioner Campbell requested that the Commissioners bring their calendars to the June meeting so that the Board could schedule a date for the special meeting on sanitation services.

B. Small-Scale Street Repaving Project Bid Award – C&T Paving, Inc.: Mr. Nalley reported that each year, the Town budgets a small amount of money to pave sections of road that have deteriorated and do not require replacement of utilities. The sections of road to be repaved include portions of Appalachian Way, Kentucky Road and Louisiana Road. Commissioner Helms moved to award the bid for the Small Section Paving Project to C&T Paving, Inc. in the amount of $24,000 and to authorize the Mayor and Town Administrator to execute the necessary contract document. Commissioner Campbell seconded and the motion carried 4/0.

C. Well 2 Pump Replacement Contract Approval – Reuben Caldwell Drilling, Inc.: Mr. Freeman reported that earlier in the week, Well 2 failed and it was discovered that the pump motor needed replacing. The pump and piping was last replaced in 2001. Staff is recommending the replacement of the pump, motor, piping and wiring in order to help ensure the reliability of this well for many more years. In response to a question from Commissioner Vinson, Mr. Freeman stated that this was the oldest pump in the system and that the money was in the budget to replace the pump. Commissioner Helms moved to approve the proposed contract with Reuben Caldwell Drilling Inc. in an amount of $8,760 and to authorize the Mayor and Town Administrator to execute the necessary contract documents. Commissioner Vinson seconded and the motion carried 4/0.

D. Resolution #15-05-0001 Thanking Misty Gedlinske: Commissioner McCaskill read Resolution #15-05-0001 Thanking Misty Gedlinske for her Service to the Town of Montreat. The Board thanked Mrs. Gedlinske for the professional, dedicated and conscientious manner in which she served the Town and wished her well in all her future endeavors. Commissioner McCaskill then presented Mrs. Gedlinske with a wooden gift box in appreciation for her years of service. Commissioner Campbell moved to adopt Resolution #15-05-0001. Commissioner Vinson seconded and the motion carried 4/0.

Public Comment – Other Topics

Commissioner McCaskill reiterated that this Public Comment period was intended for remarks pertaining to public business items not listed on the meeting agenda, including any reports or communications from other community entities.

Lynn Gilliland representing the Montreat Conference Center presented a check in the amount of $7,083.20 to the Town for the final payment of the Community Service Fee. This brings the total for the Community Service Fee to $46,513.20 for the year. Mrs. Gilliland also stated that a portion of the fee goes to the Town of Black Mountain Fire Department and that their total for the year was $11,627.80. She then thanked the Town's public safety and public works staff for all they do to keep Montreat safe. Mrs. Gilliland then stated that the new changes to the sanitation plan had been noted and that when they meet with conference leaders, they will advise them of those changes.

Commissioner Communications

Commissioner Campbell reported on the following items:

- The Presbyterian Heritage Center experienced a roof leak this week, which has postponed the opening of the Japan Exhibit until next week. The Center will be closed until Saturday afternoon. Ron Vinson reported that a time capsule, dating from 1956, had been found near Freeland Hall. The capsule will be opened at a special event.

- The Montreat Landcare Committee met on May 6, 2015 to evaluate the Native Plant Sale and Arbor Day Celebration on May 2nd. In response to the vendors, the Committee has set April 30th as the date for the 2016 event. John Johnson, with the Montreat Hemlock Restoration Initiative, will share information about their project at the June 11th Board meeting. Rob Townley, the Buncombe County State Forest Ranger, will be at the July 2nd Board meeting to discuss their Fire Wise program. Commissioner Campbell thanked everyone who helped make the Native Plant Sale and Arbor Day Celebration such a success.
- Commissioner Campbell then gave an update on several events taking place at Montreat College.

Commissioner Vinson stated that the Open Space Conservation Committee met this past week and is looking for new members who might be interested in serving. If interested, please complete the application that can be found on the Town's website.

Upcoming Meeting Dates

Commissioner McCaskill reviewed the following list of upcoming meeting dates and deadlines.

Town Services Office Closed:	May 25, 2015 Memorial Day Holiday
Rescheduled Household Garbage and Recycling Collection Date:	Tuesday, May 26, 2015 Collection begins at 8:00 a.m.
Agenda Items Due:	March 29, 2015, 5:00 p.m. Town Services Office
Agenda Packets Available:	June 2, 2015 http://www.townofmontreat.org/TownGovernment.php or Town Services Office
June Montreat Landcare Committee Meeting:	June 3, 2015, 9:00 a.m. Kirk Allen Building, Swannanoa Room
June Agenda Meeting:	June 4, 2015, 7:00 p.m. Walkup Building
June Town Council Meeting:	June 11, 2015, 7:00 p.m. Walkup Building

Special Meeting: 2015-2016 Fiscal Year Budget Adoption:	June 25, 2015 Location and Time TBA
Agenda Items Due:	June 26, 2015, 5:00 p.m. Town Services Office

Adjournment

There being no further business, Commissioner Helms moved to adjourn the Meeting. Commissioner Campbell seconded. The motion carried 5/0 and the meeting was adjourned at 8:54 p.m.

Jack McCaskill, Commissioner

Stefan B. Stackhouse, DeputyTown Clerk