

**Town of Montreat
Board of Commissioners
Special Meeting
June 23, 2014
Town Services Office**

Commissioners present: Mayor Letta Jean Taylor
Mayor Pro Tem Mary Standaert
Commissioner Martha Campbell
Commissioner Tim Helms
Commissioner Jack McCaskill
Commissioner Ann Vinson

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

No members of the public were present. Mayor Taylor called the meeting to order at 2:06 p.m. and gave the invocation.

Agenda Approval

Commissioner McCaskill moved to adopt the proposed meeting agenda as presented. Commissioner Vinson seconded and the motion carried 5/0.

Proposed 2014-2015 Fiscal Year Budget Review and Discussion

At the June 26 Special Meeting, Town staff will present a property and liability insurance proposal from the North Carolina League of Municipalities' Interlocal Risk Finance Fund, and will adjust the budget document to reflect the quoted annual premium amount.

General Fund Revenues: The draft Budget does not propose an increase from the current ad valorem property tax rate of \$0.41 per \$100 of valuation. A Fund Balance appropriation of \$405,000 will be required. Mr. Nalley advised that in the 2015-2016 Fiscal Year, between \$125,000 and \$150,000 in new revenue sources will be needed to fund capital project expenditures without significant reductions in the Town's Fund Balance.

Mayor Pro Tem Standaert asked for the Board's consensus to work with Town staff to draft letters to each of the community's nine non-profit entities providing statistical information about the Town's budget and asking them to consider making Payment in Lieu of Taxes (PILOT) contributions to the Town. After brief discussion, the Board members agreed by consensus. Mr. Nalley also suggested that Mayor Taylor or Mayor Pro Tem Standaert could meet at an appropriate time to discuss this matter with Montreat College's new President.

General Fund Expenditures

Personnel: The draft Budget proposes a 2% Cost of Living Adjustment (COLA) for all employees except the Town Administrator. Reducing the COLA amount to 1.5% would reduce the total annual cost for the Town by approximately \$3,000. After brief discussion of COLA adjustments approved by the Board over the past several years, as well as those recently approved in neighboring municipalities, the Commissioners agreed by consensus to proceed with the recommended 2% COLA adjustment for all employees except the Town Administrator.

Governing Board: After discussing the year-to-date total amount spent on printed public communication efforts during the current fiscal year, as well as the estimated printing and postage costs for each individual mailing, the Board agreed by consensus to leave the \$4,000 recommended for Communication Services unchanged for the upcoming fiscal year. Commissioner Campbell asked that a letter from the Mayor or entire Board about the Town Hall replacement project be prepared and sent out to Montreat residents and property owners within the next week.

Administration: The Board made no changes to the proposed Administration Department expenditures. Staff will research the comparative costs of leasing or purchasing a new copier, and will continue to monitor tax collection services fees from Buncombe County.

Public Buildings: The \$175,200 budgeted in this department for the Town Hall replacement project includes the final architectural design service contract payment and the first payment toward the construction phase. Staff estimates that the Town will borrow approximately \$1.3 million to construct the new facility, depending on final building design and other factors. The Local Government Commission requires a 15-year loan term, which if financed at 4% interest will result in annual debt service payments of approximately \$130,000. As current capital improvement projects are completed, such as the Texas Road bridge replacement and repaving, those funds can be reallocated toward the Town Hall replacement. Although street paving funds will continue to be limited, Appalachian Way is the last large-scale repaving project planned for the next several years. The Board may receive future assessment petitions for street or utility extensions, but is not obligated to undertake these projects if funding is not available.

During discussion, Mr. Nalley said the Black Mountain News would publish another article this week on the Town hall replacement project, and advised the Board to make a firm and united decision soon about whether to proceed with the project on the Florida Terrace site or to consider alternative locations. Commissioner McCaskill supported the Florida Terrace site, and felt that consideration of alternative locations would serve only to delay the project and create additional costs. Mayor Pro Tem Standaert did not feel the suggested site outside the Montreat Gate was a better location and did not support constructing the new Town Hall

outside the municipal limits. Commissioner Helms said that although the Florida Terrace lots were purchased prior to his term of office, he supported the Board's decision to build the new Town Hall facility in this location. Mayor Pro Tem Standaert asked to have exterior design information for the Town Hall building available at the upcoming Montreat Cottagers Association meeting. Mr. Nalley advised that any exterior design information would be very limited until the interior layouts are approved. The Board will consider this matter further during the June 26 Special Meeting.

Police: The Board made no changes to the proposed Police Department expenditures. The vehicle purchase funded is for replacement of the 2008 Ford Crown Victoria patrol car. Staff will continue to monitor the costs of the dispatching services contract with the Town of Black Mountain. The Board may consider creating a position for an in-house Police Dispatcher in a future budget year.

Planning and Zoning: In accordance with the adopted goals and objectives for the upcoming fiscal year, the proposed Budget includes \$40,000 to select and work with a professional consulting firm to provide an engineering study for development of a stormwater utility. Currently, there is no dedicated funding source for the Town's stormwater program. Construction, maintenance and continuing staff training costs are paid through the General Fund, which is primarily based on ad valorem tax revenues. Adopting a stormwater ordinance and accompanying fee structure would provide a self-funding revenue source for constructing and maintaining new and existing stormwater control measures, as well as providing public educational efforts to promote stormwater mitigation. Stormwater utility fees would be applicable to all property owners, even non-profit entities. The Board would need to decide whether to reduce the ad valorem property tax rate by an amount equal to the revenue generated by the new stormwater utility fees, or to retain this additional revenue. Mr. Nalley cautioned that stormwater utility fee implementation was often a controversial topic for the public, particularly if not accompanied by a corresponding tax reduction. After discussion, the Board agreed by consensus to eliminate funding for the stormwater utility from the proposed Budget. These monies will be used to reduce the Fund Balance appropriation amount proposed for the upcoming fiscal year.

Public Works: The board made no changes to the proposed Public Works Department expenditures.

Streets: The board made no changes to the proposed Public Works Department expenditures.

Powell Bill: \$24,000 is allocated for small-scale pavement resurfacing in accordance with the Town's Capital Improvements Plan. Any resurfacing, drainage improvements or sidewalk extensions on Florida Terrace or Arkansas Trail would be performed after the Town Hall replacement project is completed.

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Sanitation: Staff believes that closing the dumpster facility on Fridays and Saturdays has limited the amount of illegal dumping, and will have more information about any drop in sanitation tonnages by the end of the month. The Board discussed options for providing special trash collection or disposal services during the upcoming Independence Day holiday, and agreed by consensus for the dumpster facility to be open to Montreat residents only on Saturday, July 5th from 9:00 a.m. until 2:00 p.m. A Police Officer will staff the facility to prevent improper use.

Commissioner Campbell read from a recent e-mail correspondence she had received concerning the impact of the reduction in dumpster facility hours. Mayor Taylor asked whether the Board members wished to consider a one-penny tax rate increase to fund the cost of additional sanitation services. The Board declined by consensus, but agreed to reconsider this option in future years' budget discussions.

Environment, Conservation and Recreation: The Board made no changes to the proposed expenditures for this Department. Mayor Pro Tem Standaert said she would send a letter of appreciation to the Cooley family for their donation to the Gate Lot landscaping project.

Appropriated Fund Balance: The Fund Balance appropriation amount will be reduced by \$40,000 to account for postponement of the stormwater utility study.

Ad Valorem Tax Rate: The Board made no changes to the proposed ad valorem tax rate of \$0.41 per \$100 of property valuation for the upcoming fiscal year.

Water Fund: No changes were made to the proposed Water Fund expenditures or current water billing rates and water access fee. During discussion, Town staff confirmed that if a new Town Hall was constructed outside the Montreat Gate, the building could not be connected to the Town's water system. Water service for the building would have to be provided by the Town of Black Mountain, and the Town would be billed according to Black Mountain's applicable rates.

Adjournment

There being no further items of business to discuss, Commissioner McCaskill moved to adjourn the Special Meeting. Commissioner Vinson seconded. The motion carried 5/0 and the meeting was adjourned at 4:18 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk