

**Town of Montreat
Board of Commissioners
Town Council Meeting
May 12, 2016
Walkup Building**

Board members present: Mayor Tim Helms
Mayor Pro Tem Kitty Fouche
Commissioner Bill Gilliland
Commissioner Mary Standaert
Commissioner Ann Vinson
Commissioner Kent Otto

Board members absent: None

Town staff present: Ron Nalley, Town Administrator
David Arrant, Master Police Officer
Steve Freeman, Public Works Director
Angie Murphy, Town Clerk
Barry Creasman, Senior Water Operator
Steve Stackhouse, Finance Officer
David Currie, Code Enforcement Officer

Approximately 38 members of the public were also present. Mayor Helms called the meeting to order at 7:01 p.m., and led the group in reciting the Pledge of Allegiance and in a moment of silence.

Agenda Approval

Commissioner Vinson moved to approve the agenda. Commissioner Standaert seconded and the motion carried 5/0.

Presentation to Council: 2016-2017 Fiscal Year Budget

Mr. Nalley presented the proposed 2016-2017 Fiscal Year Budget in the amount of \$2,265,800. 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, State mandated changes to the Powell Bill Fund, fuel and utility cost increases and employee benefit costs. Features in this budget take into account the effects of each of these events and impact it will have on service delivery and costs. Every effort has been made to balance the need for service delivery with a fiscally conservative approach to revenue and expenditure estimates.

Until recently, the Powell Bill Fund was the fund used to account for the North Carolina gasoline tax. In November 2015, the State repealed the statutory formula linking Powell Bill funds to the gas tax and instead made the allocations subject to yearly state budget appropriations. Another change directs municipalities to use its Powell Bill funds “primarily for the resurfacing of streets within the corporate limits.” As a result, expenditures commonly found in the Powell Bill Fund have now been moved to the Street Department within the General Fund. The monetary impact this change has had to Montreat’s budget is approximately \$20,000, resulting in the request of a one cent property tax increase. The Powell Bill funds are expected to remain steady at \$40,000.

The tax rate necessary to fund this budget is \$0.42 per \$100 valuation, an increase of one cent to the current fiscal year’s ad valorem tax rate. Each penny of the tax rate generates \$23,252 in revenues for the Town. General Fund operating revenues are budgeted at \$1,929,300, a decrease of approximately 25.4% or \$657,450 from the current year. Water Fund operation revenues are budgeted at \$336,500, an increase of \$9,500 or 2.9% in revenues budgeted from the last fiscal year. The proposed budget increases the existing rate of \$4.83 per 1,000 gallons to a \$4.95 per 1,000 gallons or by 2.5%. Water access fees are also proposed to increase by 2.5%. 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 9 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 23. 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.

**Public Hearing: Proposed Revisions to Montreat General Ordinance, Chapter E –
Utilities, Article I: Water and Sewer**

In 2015, the Board and staff discussed the inconsistencies found in Montreat General Ordinance E (Utilities) and Chapter M (Extensions of Public Utilities and Streets) as they relate to public utility extensions in the Town’s Extraterritorial Jurisdiction (ETJ). At their 2015 Retreat, the Board agreed that the text of Chapter M would remain unchanged, and that revisions would be needed to Chapter E so that it would clearly state that public water and sewer connections/extensions would be allowed for in the ETJ.

There being no comments from the public, Mayor Helms closed the Public Hearing.

Mayor’s Communications

Mayor Helms reserved his communications until the end of the meeting.

Consent Agenda Review

With the adoption of the Consent Agenda, the Board approved the following items:

- March 10, 2016, Town Council Meeting Minutes as Amended
- April 7, 2016, Public Forum Minutes
- April 7, 2016, Town Council Agenda Meeting Minutes
- April 14, 2016, Town Council Agenda Meeting Minutes
- Approved Fiscal Year 2015-2016 Budget Amendment #5 to reallocate budget to cover Administration expenses.
- Called for a Public Hearing on June 9, 2016 at 7:00 p.m. or as soon thereafter as possible to discuss the proposed 2016-2017 Fiscal Year Budget.

Town Administrator's Communications

Mr. Nalley advised the Board that a conference call was tentatively scheduled for May 16, 2016 at 9:00 a.m. between the Federal Highway Administration and the North Carolina Department of Transportation in regards to the Texas Road Bridge Project. Mayor Helms, Mr. Nalley and Montreat Bridge Committee Chairwoman Alice Lentz will attend the conference call alongside other Town Staff.

Administrative Reports

Police Chief: Master Police Officer David Arrant reviewed and presented the April 2016 monthly departmental activity report. The Montreat Police Department participated in an active shooter training scenario involving crisis negotiation procedures with Montreat College, Montreat Campus Police, Buncombe County Sheriff's Department and the Black Mountain Police Department. This training scenario lasted over the course of several hours and was a very beneficial learning experience for all of the agencies. The Police Department thanked the Public Works crews for all of their hard work removing fallen trees, branches and limbs from the high wind and storm activities during the month.

Public Works Director:

- Mr. Freeman reported that sanitation collection will be on Tuesday, May 31 due to the Memorial Day Holiday. Bi-weekly sanitation will begin that week as well.
- Mr. Freeman encouraged year-round and summer residents to flush their water lines for five to ten minutes to eliminate the presence of the naturally occurring iron that is found in the Town's water system. Mr. Freeman also recommended running washing machines for a full cycle without clothes to keep discoloration to a minimum. Crews have increased hydrant flushing across Town to eliminate iron pockets in the water system. Mr. Freeman also recommended that citizens utilize the correct filters to decrease iron: iron filters are more

beneficial than sediment filters. Mr. Freeman assured the Board that the water is perfectly safe to drink and is routinely tested for iron, copper and lead.

- Mr. Freeman reported that C&T Paving will be on Appalachian Way the week of May 23 to begin preparations for the paving project which should begin the first week of June, weather permitting. Crews will be working with the residents to make sure they are able to get to and from their homes.
- Mr. Freeman reported that Carter Asphalt Striping and Sealing will be on-site the week of May 16 to begin the re-striping project on Assembly Drive.

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

- March 2016 Financial Summary Report;
- Final March 2016 Detailed Financial Statement;
- Preliminary April 2016 Detailed Financial Statement;
- April 31, 2016 Cash and Investment Earnings Report

Building Inspector/Code Administrator: Mr. Currie reviewed his monthly reports and reported that the Planning and Zoning Commission held a meeting in April to review amendments to the Sign Ordinance due to a recent Supreme Court ruling. Information from this meeting was compiled and sent to the Town Attorney so she could review the current ordinance and make suggestions on how the Committee should move forward. Mr. Currie advised the Board that this will be a rather lengthy process and will require several meetings prior to a recommendation before Council. The Board of Adjustment did not meet in April. In response to a question from Commissioner Standaert about the Texas Road Spur house project, Mr. Currie reported that a contractor is in place to move forward with the construction of the home. The project will be unique in nature and design.

Public Comment – Agenda Items

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

Mike Sonnenberg of 125 Virginia Road, experiences iron in his water multiple times a year and does not believe this is a result of old water lines. Mr. Sonnenberg would also like to have his taxes raised, if necessary, to assist the Town of Black Mountain with their proposed Montreat Road Sidewalk Project and recommended that the payments could be spread out over several years.

Don Reid of 127 Shenandoah Terrace, spoke on procedural matters with regards to House Bill 2. Mr. Reid inquired about the Rules and Procedures of the Board.

Janie Moore of 100 Frist Road, would like the Board to approve the motion for House Bill 2. She feels that Montreat Conference Center made a strong stand on this topic and the Town should do

likewise.

Joe Standaert of 118 Shenandoah Terrace, strongly urges the Board to let the courts determine the settlement of the lawsuit. Mr. Standaert also stated that if the settlement is approved at the end of tonight's meeting, without clarification on whether the 110 private individuals will be reimbursed, he will be submitting a formal Public Records request asking that all names, addresses and dollar amounts be specified for all recipients of the \$82,362.82 settlement.

Eric Nichols of 527 Suwannee Drive, is bothered at the thought of the lawsuit being seen as paying off friends and neighbors. He feels that it is scandalous and immoral. Mr. Nichols stated that the new Commissioners ran on a platform of fiscal responsibility, moral high ground and transparency and this decision contradicts their promises. Mr. Nichols asked the Board to involve the public in making the final decision.

Erskine Clarke of 558 Providence Terrace, feels that the community needs to move forward with the ability to have open, transparent conversations about important issues in the future.

Perrin Wirght of 399 Appalachian Way, is amazed that the Board is considering settling the lawsuit with Town funds. Mr. Wright believes the plaintiffs have no intention of going to trial and their purpose was completed by the decision to not construct a Town Hall on Florida Terrace.

Old Business

- A. Proposed Revisions to Montreat General Ordinance, Chapter E – Utilities, Article I – Water and Sewer: Commissioner Standaert moved to adopt Ordinance #16-05-0001 Amending Montreat General Ordinance, Chapter E – Utilities, Article I – Water and Sewer as presented. Commissioner Vinson seconded and the motion passed 5/0.

New Business

- A. House Bill 2, the Public Facilities Privacy and Security Act: Commissioner Vinson moved that as the Town of Montreat strives to be a welcoming and inclusive community that the Town of Montreat Board of Commissioners disagrees with the discriminatory language of HB2, the Public Facilities Privacy and Security Act enacted by the North Carolina General Assembly and signed into law on March 23, 2016. Commissioner Standaert seconded. Commissioner Vinson feels that it is important that the Town stands united with Montreat College and Montreat Conference Center. Commissioner Vinson feels that a statement by the Town of Montreat stating that we are open and welcoming is important right before the busy conference season. Mayor Pro Tem Fouche feels that this matter is too controversial and the Town needs to focus on resolving other outstanding issues. Commissioner Standaert feels this is mild statement and she stands behind the motion. Commissioner Otto feels this is an emotional topic but he does not feel that it is something the Town needs to address. Commissioner Gilliland

encouraged residents to contact their representatives to address their support of House Bill 2. There being no further discussion, the motion failed 2/3 with Commissioner Otto, Commissioner Gilliland and Mayor Pro Tem Fouche voting against the motion. Mayor Pro Tem Fouche then moved to prevent reconsideration of House Bill 2 for a period of six months. Commissioner Otto seconded the motion. Commissioner Standaert opposed the reconsideration because she hopes the other Commissioners may have a change of heart. There being no further comment the motion passed 3/2 with Commissioner Standaert and Commissioner Vinson voting against the motion.

- B. Selection of Town Auditors – Martin Starnes & Associates, P.A.: Commissioner Vinson moved to approve the selection of Martin Starnes & Associates, P.A., as the Town’s auditors and to approve an annual audit contract in the amount of \$19,000 and to authorize the Mayor and Town Administrator to execute the necessary documents. Mayor Pro Tem Fouche seconded. The motion passed 5/0.
- C. Resolution #16-05-01 Honoring Andy Andrews: Mayor Pro Tem Fouche moved to adopt Resolution #16-05-01 Honoring Andrew Andrews. The Board in its entirety seconded the motion. The motion passed 5/0.
- D. Settlement of Civil Action: CAROLYN ZOE CROWDER, Trustee of the Carolyn Zoe Crowder Living Trust, NANCY B. THOMAS, HENRY W. DARDEN, JR and wife, CAROLYN V. DARDEN v. TOWN OF MONTREAT, STEFAN BRENT STACKHOUSE (in his individual capacity and in his official capacity as the Town Finance Officer), SELECTIVE INSURANCE COMPANY OF AMERICA, and FLORIDA TERRACE, LLC; Civil Action No. 14 CVS 05367 (Buncombe County): Commissioner Gilliland moved that the Town of Montreat Board of Commissioners adopt Fiscal Year 2015-2016 Budget Amendment #6 to cover the legal fees and costs incurred in the settlement of the above captioned Civil Action and approve a settlement in this action in substantially the form and substance as set out in the attached Settlement Agreement, Consent Order Approving Settlement Agreement, and Mutual Release, and authorizes the Mayor and trial counsel to execute such documents on behalf of the Town. Commissioner Otto seconded. Commissioner Gilliland stated that settling the lawsuit in this way is the most fiscally responsible for the Town. Commissioner Standaert felt the plaintiffs achieved their goal when the Board voted unanimously to not build a municipal building on the Florida Terrace property. Commissioner Standaert felt that it was wrong to move forward with the settlement as it was simply a legal exercise for a political purpose. Commissioner Vinson stated that Council attempted to enter into arbitration to settle the lawsuit but the plaintiffs were opposed to the idea. Commissioner Otto stated that it is in the best interest of the Town of Montreat and the taxpayer’s money to settle the lawsuit and to stop the financial impact. Mayor Pro Tem Fouche also felt that it was fiscally responsible to move forward with the settlement. After much discussion, the motion carried 3/2 with Commissioner Standaert and Commissioner Vinson voting against the motion.

Public Comment-Other Topics

Mayor Helms 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.

Mr. Erskine Clarke of 558 Providence Terrace, hopes the Town will work towards moving ahead of the past conflicts and hopes that those that donated to the lawsuit will be just as proud to announce it as he and Mrs. Clarke were.

Mr. John Hinkle of 121 Mecklenburg Circle, feels that the Town of Montreat is setting a horrible precedence.

Mrs. Janie Moore of 100 Frist Road, feels that reconciliation will not happen by demand. Reconciliation will occur when people make a conscious decision to forgive others.

Mr. Don Reid of 127 Shenandoah Terrace, questioned who has the authority to put an item on the agenda.

Commissioner Communications

Commissioner Standaert responded to Mr. Reid's question during Public Comment concerning placing items on the agenda, and thanked Mrs. Moore for her comments on reconciliation.

Commissioner Vinson mentioned that the Native Plant Sale and Arbor Day Celebration was a success. Commissioner Vinson announced that the Montreat Tree Board would be meeting on May 24th and encouraged everyone to contact her with questions or suggestions.

Commissioner Otto announced that the Montreat Bridge Committee would be meeting on May 17th and encouraged everyone to attend and give feedback. Commissioner Otto congratulated Montreat College on its Bicentennial.

Mayor Pro Tem Fouche read a prepared statement in which she hopes the Town will move forward and regain its standing in the Valley.

Upcoming Meeting Dates

Mayor Helms reviewed the following list of upcoming meeting dates and deadlines next week.

Montreat Bridge Committee:

May 17, 2016, 5:00 p.m.
Wayout Building

Montreat Tree Board:

May 24, 2016, 10:00 a.m.

**Montreat Board of Commissioners
Town Council Meeting Minutes
May 12, 2016**

	Town Service Building
<u>Montreat Bridge Committee:</u>	May 31, 2016, 5:00 p.m. Wayout Building
<u>Montreat Landcare</u>	June 1, 2016, 9:00 a.m. Kirk Allen Building Swannanoa Room
<u>June Agenda Meeting:</u>	June 2, 2016, 7:00 p.m. Public Forum begins at 6:30 p.m. Walkup Building
<u>June Town Council Meeting:</u>	June 9, 2016, 7:00 p.m. Walkup Building

Adjournment

There being no further business, Commissioner Vinson moved to adjourn the Town Council Meeting. Commissioner Gilliland seconded and the motion carried 5/0. The meeting was adjourned at 8:52 p.m.

Tim Helms, Mayor

Angie Murphy, Town Clerk