

**Town of Montreat
Board of Commissioners
Town Council Agenda Meeting
June 1, 2017
Walkup Building**

Board members present: Mayor Tim Helms
Commissioner Bill Gilliland
Commissioner Mary Standaert
Commissioner Ann Vinson

Board members absent: Commissioner Kent Otto
Mayor Pro Tem Kitty Fouche

Town staff present: Alex Carmichael, Town Administrator
David Currie, Building Inspector/Code Enforcement Officer
Barry Creasman, Senior Water Operator
Steve Freeman, Public Works Director
Angie Murphy, Town Clerk
Dave Arrant, Interim Police Chief/Police Captain
Steve Stackhouse, Finance Director

Approximately 13 members of the public were also present. Mayor Helms called the meeting to order at 7:01 p.m., led the group in reciting the Pledge of Allegiance, and held a moment of silence.

Agenda Approval

Commissioner Standaert suggested amending the agenda to include the Capital Improvement Plan (C.I.P.) in tonight's Public Hearing. Commissioner Standaert also proposed adding as item F under New Business the possibility of moving the Public Forum from the first Thursday of every month to the second Thursday of every month right before the regular council meeting. Commissioner Gilliland seconded and the motion passed 3/0. The agenda was adopted as amended.

Public Hearing: Proposed 2017-2018 Fiscal Year Budget & C.I.P.

Mr. Carmichael started the Public Hearing by reviewing the Budget Calendar as listed below and gave a brief recapitulation of what has occurred thus far in the Budget Process.

- April 7 (Annual Board Retreat – C.I.P Review)
- May 25 (Presentation of Proposed C.I.P. and Annual Budget)
- May 25 – June 8 (Budget Review by Board of Commissioners)
- June 1 (Public Budget Hearing)
- June 8 (Budget Workshop)
- June 20 (Adoption of Final Budget)

Mr. Carmichael reviewed the Capital Improvement Plan items that were discussed at the Annual

**Montreat Board of Commissioners
Town Council Agenda Meeting Minutes
June 1, 2017**

Board Retreat. The items that were chosen as priority for 2017-2018 have been ranked according to priority based on the Council's votes during the Retreat. The items in green are considered top priority while yellow is a medium priority and those highlighted in red are low priority. Please see chart below:

Project	Estimated Price (first year)	High	Medium	Low	Score
Bucket Truck	\$ 25,000	6			18
Town Hall Replacement	\$ 111,521	6			18
Public Works Building	\$ 111,521	6			18
Local Street Paving	\$ 194,000	6			18
Water Line Replacement	\$ 55,000	6			18
New Road Paving	\$ 40,000	5	1		17
Water Tank Inspection/Maintenance	\$ 25,000	5	1		17
Subtotal	\$ 562,042				
Portable Generators	\$ 5,000	4	2		16
Radio Replacement	\$ 44,200	4	2		16
Subtotal	\$ 49,200				
Comprehensive Plan	\$ 35,000	1	1	4	9
Ordinance Recodification	\$ 15,000			6	6
Subtotal	\$ 50,000				
*Other: Tree Program	\$ 10,000				
Subtotal	\$ 10,000				
Total	\$ 671,242				

Mr. Carmichael stated everything above other than the portable generators, the comprehensive plan and the ordinance recodification were tentatively scheduled to be funded by the 2017-2018 Annual Budget.

This is a reevaluation year for the Town of Montreat and the taxable value of property has risen by 3.42%. Montreat's estimated tax collection rate is at 99.99%.

Montreat has a total budget of \$2,376,573 which is an increase of 3.84% from last year. This number differs from what was shown last week due to an accounting error that was found in the Town's favor. The General Fund Budget is \$2,007,970 which is 2.85% over last year. The Water Fund Budget is \$364,711 which is 8.38% over last year. This budget does not include a proposed tax rate or water rate increase.

Mr. Carmichael then reviewed the expenditures by department:

**Montreat Board of Commissioners
Town Council Agenda Meeting Minutes
June 1, 2017**

- Administration \$298,139
- Governing Board \$72,229
- Planning and Zoning \$84,519
- Police \$416,300
- Public Buildings \$434,514
- Public Works \$130,219
- Recreation and Environment \$7,000
- Sanitation \$100,037
- Streets \$465,013
- Water \$364,711

Mr. Carmichael stated that this Budget does include the assumed revenue for the sale of the Florida Terrace Property of \$225,000 which is the amount the Town paid for the property. This leaves Montreat with an estimated unappropriated fund balance of \$1,309,516. There will be a one-time fund balance transfer of \$127,718 and total capital outlay of \$754,000. Key Accomplishments of the 2017-2018 Budget are High and Medium Priority Capital Projects will be completed, a 2.5% cost of living adjustment for all employees other than the Town Administrator, a more robust insurance package at 8% lower cost and 0% tax rate increase. Mr. Carmichael reminded everyone in attendance that the budget is available in the Town Services Building as well as on the website.

Mr. Mike Sonnenberg of 125 Virginia Road would like to know the percentage increase/decrease of the line items in comparison to last year.

Mr. Tom Frist of 98 Frist Road would love to see in every budget where the money comes from. He would love to give credit to the MRA for their gifts each year as well as Montreat College, Christ Community Church and other non-profit organizations in the community. Mr. Frist indicated his confusion about where the proposed metal building for Public Works will be located. Mr. Freeman advised that it will be behind MRA's metal building near an abandoned well that has been out of service for twenty two years. Mayor Helms also stated that the MRA is the only institution in the valley that makes a donation to the Town.

Mr. Joe Standaert of 118 Shenandoah Terrace does not agree with budgeting the sale of Florida Terrace as a revenue source. Mr. Standaert feels that it would be cleaner to put the \$400,000 budgeted as a transfer from fund balance and not include Florida Terrace which has not even been voted on to sell as of yet. Mr. Standaert questioned why the amounts in the C.I.P. for the Town Hall Project were only \$79,000 for the next four years with the majority of the money earmarked for future years. Commissioner Standaert is unsure where the \$1.3 million in future years came from and if it includes the debt service. Mr. Carmichael stated that this is an estimate and we won't have firm numbers for the process for quite some time. Mr. Carmichael stated that we need to know what we are working with first. Mr. Standaert also stated that there were several

C.I.P. spread sheets that did not appear correct in their addition.

Mrs. Martha Campbell of 149 Maryland Place thanked Mr. Carmichael for his presentation on the Fund Balance. Mrs. Campbell hopes that the Community can begin to learn more about what the Fund Balance is, where it comes from and what it's used for.

Commissioner Standaert asked where the Budget Workshop would be located under the Agenda for next week. Mr. Carmichael stated that Item III will be the Budget Workshop. Commissioner Standaert moved to amend next week's agenda to include the Budget Workshop under Item III. Commissioner Gilliland seconded and motion carried 3/0.

Commissioner Standaert would like cost of living increases and tax rates for comparable towns as well as historically what Montreat has offered. Commissioner Standaert noticed some huge increases in training going from \$500 to \$11,000. There was also a Miscellaneous Item that went from \$300 to \$2300.

Commissioner Gilliland moved to end the Public Hearing. Commissioner Vinson seconded and the motion carried 3/0.

Mayor's Communications

Mayor Helms announced that Conference Season is starting this weekend and advised everyone to be aware of the visitors in Town.

Consent Agenda Review

The proposed Consent Agenda will include the following items:

- May 4, 2017, Public Forum Meeting Minutes
- May 4, 2017, Town Council Meeting Minutes
- May 11, 2017, Town Council Meeting Minutes

Town Administrator's Communications

- Mr. Carmichael would like the Administrative Reports to be delivered as written to allow more time for the Budget Workshop if that is pleasing to the Council.
- Mr. Carmichael also advised the Board that the Town has sold over \$6,080 in surplus property on GovDeals. All but one item sold and Staff will be looking to repost that item as well.

Administrative Reports

The Board will hear administrative reports from the Police Chief, Public Works Director, Finance Officer and Building Inspector/Code Administrator during next week's Town Council Meeting.

Public Comments

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.

There were no public comments at this time.

Old Business

There was no Old Business to discuss.

New Business

- A. Worker's Compensation Insurance Renewal- NC Interlocal Risk Management Agency: There will be a discussion of approving the Worker's Compensation Insurance Renewal in the amount of \$12,865.57.
- B. Property & Liability Insurance Renewal – NC Interlocal Risk Management Agency: There will be a discussion of approving the Property & Liability Insurance Renewal in the amount of \$19,319.00.
- C. Employee Benefit Health Insurance: There will be a discussion to contract with the NCLM Health Benefits Trust for the Option C health insurance, Dental II, Basic Vision, and \$15,000 Life Insurance as proposed, for fiscal year 2017-2018, and for the Town to reimburse employees for the last half of the employee-only deductible as has been our policy.
- D. Budget Amendment #5: There will be a discussion to amend payroll budgets to match projected expenditures for FYE 17.
- E. Budget Amendment #6: There will be a discussion to amend the Administration budget to cover exceptional travel and training expenditure due to new hires. Commissioner Standaert would like some further information on this amendment as it was a rather hefty amendment.
- F. Rescheduling the Public Forum: There will be a discussion about rescheduling the Public Forum from the first Thursday of every month to the second Thursday of every month as was proposed by Mr. Frist this evening.

Public Comments-Other Topics

Mayor Helms reiterated that the Public Comment period were for remarks pertaining to public business items not listed on the meeting agenda, including any reports or communications from other community entities.

There were no public comments at this time.

Commissioner Communications

Commissioner Vinson wanted to make a correction to the location of the Landcare Meeting on June 7th. The meeting will be held in the Outdoor Education Classroom which is in the lower level of the gymnasium and can be accessed by the college side of Lake Susan.

Commissioner Standaert shared a memo from Duke Energy which announced its proposal for a rate change that will affect 1.3 million customers in eastern and portions of Central North Carolina and the Asheville area. The filing with the N.C. Utilities Commission requests an increase of \$477 million for investments to modernize power plants, generate cleaner energy, responsibly manage coal ash and respond to major storms. This rate change represents an overall average rate increase across all customer classes of 14.9 percent. If approved, the average rate increase for residential customers would be 16.7 percent, while commercial and industrial customers would see an average increase of 13.5 percent. Commissioner Standaert reminded everyone that this would be real money and to contact the N.C. Utilities Commissioner with questions and concerns.

Upcoming Meeting Dates

Mayor Helms reviewed the following list of upcoming meeting dates and deadlines:

<u>Montreat Landcare:</u>	June 7, 2017, 9:00 a.m. Outdoor Education Classroom
<u>June Town Council Meeting:</u>	June 8, 2017, 7:00 p.m. Walkup Building
<u>Special Budget Workshop:</u>	June 20, 2017, 7:00 p.m. Walkup Building
<u>Montreat Tree Board:</u>	June 27, 2017, 9:30 a.m. Town Services Building
<u>Town Services Office Closed</u>	July 4, 2017 In observance of the 4 th of July
<u>July Town Council Agenda Meeting:</u>	July 6, 2017, 7:00 p.m. Public Forum begins at 6:30 p.m. Walkup Building

Closed Session

**Montreat Board of Commissioners
Town Council Agenda Meeting Minutes
June 1, 2017**

There will be a closed session at next week's meeting.

Adjournment

There being no further business, Commissioner Gilliland moved to adjourn the Town Council Agenda Meeting. Commissioner Vinson seconded and the motion carried 3/0. The meeting was adjourned at 7:55 p.m.

Tim Helms, Mayor

Angela Murphy, Town Clerk