

**Town of Montreat
Board of Commissioners
Town Council Meeting
June 9, 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
Jack Staggs, Chief of Police
Steve Freeman, Public Works Director
Angie Murphy, Town Clerk
Barry Creasman, Senior Water Operator
Steve Stackhouse, Finance Officer

Approximately 35 members of the public were also present. Mayor Helms called the meeting to order at 7:00 p.m., and led the group in reciting the Pledge of Allegiance and in a moment of silence.

Agenda Approval

Commissioner Standaert moved to make the Montreat Bridge Committee Presentation more of an Open Forum to allow room for Public Comment. Commissioner Vinson seconded the motion. Commissioner Standaert advised that at the May 31 Bridge Committee meeting, the Public Comment period was moved prior to the Presentation and she did not feel that the public has had an adequate enough time to discuss the recommendations. Mayor Helms called for a vote to adopt the Agenda as amended. The motion failed 2/3 with Commissioners Otto and Gilliland and Mayor Pro Tem Fouche voting against the motion. The motion to adopt the agenda as presented was then approved 5/0.

Presentation to Council: Montreat Bridge Committee-Alice Lentz, Chair

Mrs. Lentz recognized the members of the Montreat Bridge Committee who were in attendance. Mrs. Lentz reiterated that from the moment the Montreat Bridge Committee was formed, the aspiration of its members was to lead an open, transparent, invitational, optimistic, and future-focused process in order to discern, to the best of their ability, the will of the people and what was best for Montreat. Mrs. Lentz feels that the content of the report is comprehensive, organized in a way that it can stand on its own, and reflects numerous insights and comments from the many in the community who chose to participate, either by attending committee meetings or emailing their views to the committee or both. The Committee hopes that the report will provide a firm

foundation for the Board's deliberations and action regarding the Texas Road Bridge Project.

Public Hearing-Proposed 2016-2017 Fiscal Year Budget

Mr. Nalley gave a brief presentation of the proposed 2016-2017 Fiscal Year Budget in the amount of \$2,265,800. The recommended tax rate needed to fund this budget is \$0.42 per \$100 of property 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. A Fund Balance appropriation of \$122,800 will be required. 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 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, with the exception of paving, 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.

General Fund operating revenues are budgeted at \$1,929,300, a decrease of approximately 25.4% or \$657,450 from the current year. Major projects and expenditures include:

Governing Body

- Legal and Audit Services - \$59,000
- Communication Services - \$5,000
- Salary Contingency - \$13,500

Administration

- Tax Collection Fees - \$21,000

Public Buildings

- Utilities, Insurance and Maintenance/Repairs - \$48,900
- Funding for the planning of the new Town Hall project is budgeted under Capital Outlay - \$100,000

Police

- Dispatching Services - \$19,200

Public Works

- Tree Replacement Program and newly established Tree Board - \$1,500
- Supervisor Training is budgeted for \$1,000

Street Department

- Street Lighting - \$23,500
- Tree Removal Services and Contract Labor - \$14,000
- Mecklenburg Circle and a portion of Louisiana Road Paving Projects - \$310,000
- Texas Road Bridge Replacement Project - \$200,000

Powell Bill

- Powell Bill expenditures have been moved to the Street Department budget
- Mecklenburg Circle Repaving Project – \$40,000

Sanitation

- Funding for the purchase of a sanitation truck in Capital Outlay - \$16,000

Environment, Conservation and Recreation Department

- Montreat Landcare Committee Funding - \$3,000
- Hemlock Initiative Grant through Landcare - \$10,000
- Replenishing of the Open Space Conservation Fund

Water Fund operation revenues are budgeted at \$336,500, an increase of \$9,500 or a 2.9 percent increase from the last fiscal year. The proposed budget increases the existing rate of \$4.83 per 1,000 gallons to \$4.95 per 1,000 gallons or by 2.5%. Water access fees are also proposed to increase by 2.5%.

Water Fund

- Debt Services Payments - \$97,600
- Mecklenburg Circle and Georgia Terrace Water Line Replacement Projects - \$52,000
- Indirect Cost Reimbursements to the General Fund - \$86,800

The proposed Budget is on file at the Town Services Office. The Board will review the document over the coming weeks and may set Special Meetings for additional Budget discussion at their discretion. Adoption of the final Budget Ordinance is scheduled for June 23, and the adopted Budget Document will be available on the Town's website.

Mayor Helms then opened the public hearing on this matter at 7:20 p.m.

Ted Carey of 116 John Knox Road, questioned if there would be a 2.5 percent increase in tax bills.

It was clarified by the Board that it will be an increase of \$0.01 or \$0.42 for every \$100 property valuation.

Bill Straughan of 122 Eastminster Terrace, would like to know what role the Board of Commissioners has had in the formulation of the budget up to this point. Mayor Helms explained that the Budget was presented by Mr. Nalley in May and Council has already had one workshop session with another workshop scheduled for June 20th. The final Budget Adoption will occur on June 23rd.

Carolyn Crowder of 128 Kanawha Drive, would like more information about the \$100,000 set aside for the Town Hall Project. Mayor Helms advised that these monies were set aside for planning purposes.

Commissioner Vinson advised that while the Town was considering a 2.5 percent increase in Water Rates, that the Metropolitan Sewerage District was increasing their rates by 2.5 percent as well.

Mayor Helms then declared the public hearing closed at 7:26 p.m.

Mayor's Communications

Mayor Helms advised that Commissioner Otto will be getting in touch with Matt Ashley to coordinate the Montreat Gait at the Gate Road Race on July 4th. Mr. Nalley advised that Public Work Crews and the Police Department will be available for signage placement and traffic control.

Consent Agenda Review

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

- May 6, 2016, Public Forum Meeting Minutes
- May 6, 2016, Town Council Agenda Meeting Minutes
- May 12, 2016, Town Council Meeting Minutes
- Scheduled a special meeting on June 20th at 3:00 p.m. in the Town Services Office to review the 2016-2017 Fiscal Year Budget.
- Scheduled a special meeting on June 23rd at 3:00 p.m. in the Town Services Office to adopt the 2016-2017 Fiscal Year Budget Ordinance and make any necessary amendments to the 2015-2016 Fiscal Year Budget.
- Approved Fiscal Year 2015-2016 Budget Amendment #7 to reallocate budget to cover Group Insurance expenses.
- Approved Fiscal Year 2015-2016 Budget Amendment #8 to reallocate budget to amend Salary & Wage and FICA costs.

Town Administrator's Communications

Mr. Nalley had no communications at this time. Commissioner Standaert requested information from Mr. Nalley on the May 16th conference call between the Federal Highway Administration and the North Carolina Department of Transportation in regards to the Texas Road Bridge Project at the July Board Meeting.

Administrative Reports

Police Chief: Chief Jack Staggs reviewed and presented the May 2016 monthly departmental activity report. Officer Whitson spearheaded Safety Saturday which was held at Ingles Markets in Black Mountain on May 21. This event was a huge success with representatives from 27 agencies and over 400 attendees. Chief Staggs advised the public to please call the Montreat Police Department if they see any unusual wildlife activity. Officer Arrant received a commendation from a resident for going above and beyond in helping restore their water and utilities after a large tree was found on their house.

Public Works Director:

- Mr. Freeman reported that bi-weekly sanitation pickup has already begun on Mondays and Friday. Sanitation will be picked up on Tuesday, July 5th in lieu of the July 4th Holiday. Bulk Item/White Good Pickup Day will be on July 12th.
- Public Work Crews delivered two free trash bags, imprinted with the Town of Montreat Seal, to each household along with an instruction sheet outlining our new expanded disposal program.
- Mr. Freeman advised the restriping project was completed and special paint with glass beads was used to increase visibility at night.
- Mr. Freeman reported that Appalachian Way paving is still underway due to a minor delay involving a brief shutdown at the asphalt plant.
- Mr. Freeman advised that a tree on Greybeard near West Virginia that has been hanging close to power lines for some time will be removed next week by Duke Progress Energy.

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

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

Building Inspector/Code Administrator: Mr. Currie was unable to attend the meeting, however Mr. Nalley requested that if the Board had any questions regarding the Building Inspector's report to please contact him.

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.

Don Reid of 127 Shenandoah Terrace, asked how the Board will move forward with the proposed Texas Road Bridge Project recommendations. Mayor Helms advised that the recommendations will be reviewed in a special workshop or regular meeting.

Old Business

- A. 2016-2017 Fiscal Year Budget Discussion: Mr. Nalley advised the Board that if they had any final requests or recommendations prior to the June 20th Budget Workshop to please let staff know. Commissioner Standaert advised that all workshops are open to the public and everyone is invited and encouraged to attend.

- B. Sanitation Services Discussion: Mayor Pro Tem Fouche stated that sanitation issues need to be addressed on Saturdays and Sundays during the Second Loaf Season. In response to questions from Mayor Pro Tem Fouche, Mr. Nalley reviewed past sanitation service practices. Mr. Nalley reviewed the decisions made by the previous Board as well as the most recent decision of this Board to expand the sanitation services. Mr. Nalley reminded the Board that Second Loaf is sponsored by the Montreat Conference Center and that they can also be responsible for any trash left as a part of that program. Discussion followed concerning whether the garbage comes from rental homes or homeowners. Mr. Nalley reminded the Board that the Town offers pickup on Fridays and Mondays and recommended homeowners invest in bear boxes for their rental homes. Mr. Nalley feels that the Town of Montreat should honor staffs work week and allow them to enjoy weekends rather than working sanitation on Saturday and Sunday as was previously mentioned. Commissioner Otto volunteered to take his truck and trailer down to the Second Loaf Site on the following Saturday to see how much garbage is accumulated. Commissioner Standaert recommended asking where the bags originated from: rental homes, conference attendees or year-round homeowners.

New Business

- A. Employee Health Insurance Benefit Renewal: Mr. Stackhouse reviewed the health insurance options available to the Town for the upcoming fiscal year. Both companies are good and offer comparable plans. Blue Cross Blue Shield rates increased this year, while switching to the United Health Care Plan offers savings that also include vision benefits. Commissioner Vinson noted that prescription drug costs increases with the United Health Care plan and asked what impact this might have for Town Employees. Mr. Nalley advised that the employees who responded, indicated that the new rates would not have much of an impact. Commissioner Vinson moved to authorize the Town Administrator and Finance Officer to contract with

United Health Care effective July 1, 2016 for the RV Gold KL-Z/247A employee benefit health insurance, and to add vision, as well as renewing dental, life, and AD&D insurance coverage as proposed, for fiscal year 2016-2017, and for the Town to reimburse employees for the last half of the employee-only deductible. Commissioner Gilliland seconded and the motion passed 5/0.

- B. Property & Liability Insurance Renewal: North Carolina Interlocal Risk Management Agency (NCIMA): Mayor Pro Tem Fouche moved to approve the Property and Liability Insurance renewal from the North Carolina Interlocal Risk Management Agency in the amount of \$19,214 and to authorize the Town Administrator and Finance Officer to execute the necessary contract documents. Commissioner Vinson seconded and the motion carried 5/0.
- C. Worker's Compensation Insurance Renewal – North Carolina Interlocal Risk Management Agency: Commissioner Vinson moved to approve the Worker's Compensation Insurance renewal from the North Carolina Interlocal Risk Management Agency in the amount of \$14,012.96 and to authorize the Town Administrator and Finance Officer to execute the necessary contract documents. Mayor Pro Tem Fouche seconded and the motion carried 5/0.
- D. Resolution #16-06-01 Adopting the Buncombe Madison Hazard Mitigation Plan: Mr. Nalley advised that the Town of Montreat participated with Buncombe County, Madison County and other local municipalities within those counties, to prepare a multijurisdictional Hazard Mitigation Plan as required by the State of North Carolina and the Federal Emergency Management Agency. The plan is designed to help local jurisdictions take actions that reduce the long-term risk to life and property from natural hazards. Adoption of the plan is required by each participating jurisdiction by September, 2016. The Town of Montreat has already completed a majority of our action requirements found in the plan. Commissioner Vinson moved to adopt Resolution #16-06-01 Adopting the Buncombe Madison Hazard Mitigation Plan. Commissioner Gilliland seconded and the motion carried 5/0.

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. Bill Scheu of 146 Eastminster Terrace, questioned whether the Town's attitudes support the people who live here in the valley and the institutions that drive the economy or does the valley support the Town.

Ms. Carolyn Crowder of 128 Kanawha Drive, read a press release on behalf of the Plaintiffs in the ongoing litigation over the Town of Montreat's attempt to build a new town hall on Florida Terrace. A settlement between the Plaintiffs and all Defendants has received Court Approval as of

June 6, 2016.

Mr. Richard Dubose, representing Montreat Conference Center, presented a check in the amount of \$4,049.60 to the Town of Montreat for Community Service Fees. This brings the 2015-2016 total to \$49,670.60.

Robin Melvin of 246 Texas Road Extension, thanked Commissioner Otto for being a good neighbor and volunteering for the upcoming Saturday garbage pickup.

Eric Nichols of 527 Suwannee Drive, feels that the document read by Mrs. Crowder was very self-serving. Mr. Nichols believes that the settlement will divide the community even further apart.

Alex Miller, representing Montreat College, announced there were close to 170 graduates in the Class of 2016. Montreat College continues to see an upward trend in new and returning students for the fall semester. The College plans renovations in Howerton Hall and the McCloud Building.

Ted Carey of 116 John Knox Road, announced that he volunteers for Montreat Conference Center and Montreat College. Mr. Carey felt there would be significant interest if the Town offered some volunteer opportunities.

Commissioner Communications

Mayor Pro Tem Fouche thanked the Montreat Bridge Committee for their detailed report and all of their hard work.

Commissioner Vinson mentioned that Landcare and the Tree Board have decided on April 29, 2017 for next year's Native Plant Sale and Arbor Day Celebration. Commissioner Vinson had some additional comments in regards to the press release that was read earlier in the meeting. Commissioner Vinson wanted to establish that the Town agreed to never build on the Florida Terrace location rather than to "develop" as the press release stated. Commissioner Vinson also noted that the Town never contested the violations in the provisions of the General Statutes nor was there an abuse of discretion as claimed. Commissioner Vinson also reviewed a document which outlined the Town Hall property, design and lawsuit related expenditures of \$554,433.43 for a Town Hall facility that is sorely needed and that the only thing now the Town has to show for it, is clear title to the property.

Commissioner Standaert agreed that all the entities in the Valley need to work together. Commissioner Standaert thanked the Montreat Bridge Committee for all of their hard work on their recommendations. Commissioner Standaert read a narrative that was vetted by the Town of Montreat's Litigation Attorney John Hunter in response to the press release read by Ms. Crowder. Commissioner Standaert feels that content of this press release needs to be addressed; most significantly the last paragraph suggesting that the Town of Montreat could have been held

**Montreat Board of Commissioners
Town Council Meeting Minutes
June 9, 2016**

monetarily liable for anything more than our own attorney fees and possibly the plaintiff's legal fees. Commissioners Fouche, Otto, and Gilliland voted to reimburse the plaintiffs and their 110 supporters \$50,000 of their some \$66,000 legal fees. There was never, in any meeting between both the present or previous council and the town attorney, a statement that indicated that the Town and the Montreat taxpayer were in anyway potentially responsible for an additional \$350,000 liability. In fact, in their Complaint, the Plaintiffs made no monetary claim against the Town of Montreat except for their attorney fees. The records will show that the reason they voted to settle was to stop the cost of the lawyer's fees associated with further litigation. The press release falsely suggests otherwise. Again, the settlement was predicated upon ending the Town's legal fees and paying the plaintiffs legal fees and not as mitigating any additional liability. Commissioner Standaert feels the press release by Eric Edgerton, attorney for the plaintiffs, is incorrect, misleading and false.

Upcoming Meeting Dates

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

2016-2017 Budget Meeting Workshop: June 20, 2016, 3:00 p.m.
Town Services Building

2016-2017 Budget Ordinance & Fee Schedule Adoption: June 23, 2016, 3:00 p.m.
Town Services Building

Montreat Tree Board: June 28, 2016, 10:00 a.m.
Town Services Building

Montreat Bridge Committee: May 31, 2016, 5:00 p.m.
Wayout Building

Town Services Office Closed: July 4, 2016
Independence Day Holiday
No sanitation pickup on this day
Sanitation Pickup will resume on July 5th.

Montreat Gait at the Montreat Gate: July 4, 2016
7:00 a.m.

4th of July Parade: July 4, 2016
10:00 a.m.

Montreat Landcare: No Meeting for July
August Location TBD

**Montreat Board of Commissioners
Town Council Meeting Minutes
June 9, 2016**

July Agenda Meeting:

July 7, 2016, 7:00 p.m. Walkup Building
Public Forum begins at 6:30 p.m.

Bulk Items/White Goods Pick-Up Day:

July 12, 2016

July Town Council Meeting:

July 14, 2016, 7:00 p.m.
Walkup Building

Adjournment

There being no further business, Commissioner Vinson moved to adjourn the Town Council Meeting. Commissioner Otto seconded and the motion carried 5/0. The meeting was adjourned at 8:44 p.m.

Tim Helms, Mayor

Angie Murphy, Town Clerk