

**Board of Commissioners  
Special Meeting Minutes  
May 24, 2023  
1:00 p.m.  
Town Hall**

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Board members present: Mayor Tim Helms  
Mayor Pro Tem Mason Blake  
Commissioner Jane Alexander  
Commissioner Kitty Fouche  
Commissioner Tom Widmer

Board members absent: Commissioner Kent Otto (listened/spoke via telephone)

Town staff present: Angie Murphy, Town Clerk  
Ben Blackburn, Interim Town Manager  
Rachel Eddings, Finance Officer  
Barry Creasman, Public Works Director  
David Arrant, Chief of Police

There was one member of the public present at Town Hall. Mayor Helms called the meeting to order at 1:00 p.m. and led a brief moment of silence

**Agenda Approval**

Mayor Tim Helms asked for a Public Comment period to be added right after the Agenda Approval. Commissioner Kitty Fouche moved to adopt the agenda as amended. Commissioner Tom Widmer seconded and the motion carried 4/0.

**Public Comment**

Mrs. Letta Jean Taylor of 376 Oklahoma Road shared her appreciation to Town Staff for completing a budget in such a short time. Mrs. Taylor, who served as Mayor of Montreat for over 20-25 years, reminded the Council that water is an enterprise fund and it must pay for itself. Mrs. Taylor stated that it has been a long time since water rates have been looked at for an increase and she's glad to see the Board take this initial step. Mrs. Taylor stated that Montreat's water infrastructure is aging and repairs may be needed in the future. Mrs. Taylor also added that with possible growth from both Montreat College and Mountain Retreat Association there could be the potential for new tanks or pipes down the road. Mrs. Taylor feels an increase in water rates would be really beneficial to the community.

Mrs. Taylor stated that the pandemic put a lot of things on hold in the Capital Improvement Plan (CIP). Mrs. Taylor, speaking from past experience, stated that it is very difficult to catch up on projects when there are an increasing number of pressing needs. Mrs. Taylor mentioned that while she is grateful Oklahoma Road will be paved this year there are other problem areas in Town around Arkansas Trail and Lookout Road. Mrs. Taylor stated that the CIP will need some funding for upcoming years.

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Mrs. Taylor appreciated that Town Staff did not include leasing in this budget year because it took a lot of time to get the 10 year, 100,000 mile vehicle/equipment replacement plan in place. Mrs. Taylor is very glad to see that a police car is included for replacement this year.

Mrs. Taylor appreciated the 5% COLA (cost of living adjustment) included in this budget because hiring, training and retaining staff is really expensive. Mrs. Taylor stated that a living wage in Buncombe County is \$20.10 and a number of years ago the Council, at the time, made a commitment in Montreat to pay all employees a living wage.

Mrs. Taylor recognizes that Montreat has the most expensive tax rate in the County. Mrs. Taylor also commented that the roughly \$277,000 received in ARPA funds were a welcomed but those funds are no longer available. Mrs. Taylor stated that a tax increase should have probably happened in 2018 but no one likes to raise taxes. Mrs. Taylor, in her opinion, feels that taxes need to be raised \$0.05.

**Review and discuss the proposed 2023/2024 Fiscal Year Budget**

Interim Town Manager Ben Blackburn advised the Council that Commissioner Kent Otto was attending via telephone but per NCGS he would not be allowed to vote if a vote were on the table.

Mr. Blackburn advised that in the FY23/24 Budget it is proposed that the Town of Montreat will receive \$2,017,851 in revenues and per NCGS requiring equal expenditures in a balanced budget they also are proposed to be \$2,017,851. Water revenues are projected at \$400,885 for a total proposed budget of \$2,418,736. Mr. Blackburn advised that one cent on the current tax rate based on current evaluations for the Town of Montreat generate approximately \$29,069.77.

The highlights of this proposed budget include a 5% COLA increase and Capital Outlay projects (audiovisual improvements for the Community Room, a patrol vehicle for the Police Department, continued funding for the Texas Road Pedestrian Bridge Project, a skid steer/tractor for the Streets Department, a chipper in the Sanitation Department and in the Water Department improvements to the automated meters). The Capital Improvement Projects total \$252,544. The proposed FY23/24 total budget is 0.63% lower than in the previous year's fiscal budget. The General Fund FY23/24 budget is 2.72% lower than the previous FY22/23 budget. The Water Fund FY23/24 budget is 11.44% higher than the previous fiscal year budget. There are \$117,307 left in ARPA related funds which are currently unencumbered and available for use.

Mr. Blackburn advised Council that Staff tried to underestimate revenues and overestimate expenditures so at the end of the budget cycle revenues will exceed expenditures. Mr. Blackburn gave a brief summary of each of the revenues, expenditures and departments in the FY23/24 budget.

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**Town of Montreat  
2023-2024 Budget Summary**

	FY 22-23	FY 23-24	% +/-
<b>Revenues</b>			
General Fund	\$2,074,556	\$2,017,851	-2.73%
Water Fund	\$359,734	\$400,885	11.44%
<b>Total</b>	<b>\$2,434,290</b>	<b>\$2,418,736</b>	<b>-0.64%</b>
<b>Expenses</b>			
Governing Body	\$45,572	\$50,851	11.58%
Administration	\$471,922	\$529,000	12.09%
Public Buildings	\$120,862	\$119,991	-0.72%
Police	\$439,974	\$494,744	12.45%
Planning & Zoning	\$94,600	\$91,400	-3.38%
Public Works	\$117,593	\$133,101	13.19%
Streets	\$624,083	\$389,614	-37.57%
Sanitation	\$136,900	\$186,100	35.94%
Recreation	\$23,050	\$23,050	0.00%
Water	\$359,734	\$400,885	11.44%
<b>Total</b>	<b>\$2,434,290</b>	<b>\$2,418,736</b>	<b>-0.64%</b>

	FY 22-23		FY 23-24
<b>Payroll</b>	<b>Salaries</b>	<b>Payroll</b>	<b>Salaries</b>
Administration	\$227,325	Administration	\$251,300
Police	\$281,925	Police	\$285,800
Public Works	\$61,740	Public Works	\$69,800
Streets	\$88,515	Streets	\$88,800
Sanitation	\$39,375	Sanitation	\$38,900
Water	\$54,600	Water	\$54,700
<b>Total</b>	<b>\$753,480</b>	<b>Total</b>	<b>\$789,300</b>

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Includes a 5% COLA increase	\$27,707
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Police Dept. includes a 3% officer certification	\$1,307
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Governing Body included an increase in fees for auditing services, advertising fees for new Town Manager Job Postings and improvements to the audiovisual equipment in the Community Room.

Administration has a 12.09% increase which includes COLAs, adjustments for increases in health insurance, cleaning and mailing services and classes/training for the Town Clerk and Finance Officer. Merit raises are not included in this proposed budget.

Public Buildings has a slight decrease (\$120,562 down to \$119,991) from the previous year with no Capital Outlay proposed.

Police Department has a 12.45% increase which includes 5% COLA, 3% increase for officer certifications and Capital Outlay of \$38,544 for a new patrol vehicle. There is an increase in the maintenance/repair of vehicles in the amount of \$500 but a slight decrease in automobile supplies (gasoline) – Town Staff anticipates a more normalization of gas prices compared to last year.

Planning & Zoning has a slight decrease (\$94,600 down to \$91,400) from the previous year with no Capital Outlay proposed. Planning & Zoning includes Building Inspector certifications/licenses as well as monies set aside for a new computer for the Zoning Administrator. Other monies include funds for the training of the Planning & Zoning Commission and the Board of Adjustment. Mr. Blackburn advised that Land-of-Sky Regional Council provided a salary increase for the Zoning Administrator in the amount of roughly \$5000.

Public Works increased from \$117,593 to \$133,101 a 13.19% increase over last year. That increase is primarily the 5% COLA increases. There is no Capital Outlay budgeted for Public Works.

Streets decreased from \$624,083 to \$389,614 a -37.57% decrease over last year. The budgeted amount includes the 5% COLA for employees, road maintenance increased for gravel, striping and patching, and monies were included for both right-of-way and Powell Bill mapping. There were two items proposed for Capital Outlay: \$101,000 for the Texas Road Pedestrian Bridge Project and \$30,000 for a new skid-steer/tractor.

Sanitation increased by 35.94% and this includes the 5% COLA and Capital Outlay in the amount of \$30,000 for a used wood chipper. Also included are increased monies for the Buncombe County

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Landfill tipping fees and the increased fees for dumpster rentals. There was also an increase in Contract Labor fees with First at Blue Ridge going from \$12 per hour to \$14 per hour.

Recreation (Landcare and Tree Board) stayed the same at \$23,050 with fees earmarked for the American Chestnut Foundation Membership fees and \$2,500 contribution from the Town to the Landcare Committee.

Mayor Pro Tem Mason Blake mentioned former Mayor Letta Jean Taylor's concern about all Montreat employees being paid the living wage. Mayor Pro Tem Blake asked how the hourly wages of all the employees stack up against the \$20.10 living wage. Commissioner Kitty Fouche advised that the \$20.10 living wage is a \$41,800 annual salary. Interim Town Manager advised that there would be 1 – 2 employees under that annual salary. Mayor Helms suggested increasing those wages because that was a policy adopted by a previous Commission. Commissioner Kitty Fouche suggested that if the lowest person made \$38,000 how much would be needed to raise them to \$41,800 and then use that percentage for everyone.

Water increased 11.44% from \$359,734 to \$400,885 with the largest increase being in the water sales due to Town Staff increasing from current rate of \$4.95 (per 1000 gal) to \$6.26 (per 1000 gal) which is a 26.5% increase over the current water rate. This rate puts the Town of Montreat water rates more in line with our neighboring Towns. Commissioner Tom Widmer advised that institutional water rates were last raised in 2013 with residential water rates raised in 2016. Mayor Pro Tem Mason Blake stated that he would like to see the Commission consider charging a step rate structure to promote conservation so that for the first 3 million gallons each institutional customer used they would be charged 1.25 of what we charge our residential customers. Mayor Pro Tem Blake went on to say that over 3 million gallons each institutional customer would charge 1.50 over the residential rate. Mayor Pro Tem Blake suggested that all net revenues based on this matrix be put into a capital projects account to be used for future capital projects. Commissioner Tom Widmer suggested changing the 3 million to 4.99 million and over 3 million to over 5 million. Interim Ben Blackburn advised that the only rate that has to be set before July 1<sup>st</sup> is the tax rate and all other rates can be raised or lowered throughout the year. Mr. Blackburn advised that the Capital Outlay is \$50,000 for upgrades to the water system involving new registers and antennas. Mayor Pro Tem Mason Blake felt that a study needs to be completed for indirect allocations because he does not feel that they are enough. Mayor Pro Tem Blake also would like to see more work on depreciation as well. It was decided to proceed with the water rate increase from \$4.95 to \$6.26 and then work on an institutional step rate structure in the future.

**Adjournment**

Commissioner Jane Alexander moved to adjourn the meeting. Commissioner Kitty Fouche seconded and the motion carried 4/0. The meeting was adjourned at 2:21 p.m.

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Tim Helms, Mayor

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Angie Murphy, Town Clerk