

**Board of Commissioners
Special Meeting- Policy Workshop Minutes
November 17, 2023**

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

Board members absent: Commissioner Kitty Fouche

Town staff present: Savannah Parrish, Town Manager
Rachel Eddings, Finance Officer
Angie Murphy, Town Clerk

There were no members of the public present

Policy Workshop

The Policy Workshop began promptly at 9:00 a.m.

Commissioner Jane Alexander moved to adopt the agenda as presented. Commissioner Tom Widmer seconded and the motion carried 4/0.

Town Manager Savannah Parrish welcomed the members of the Council who were present. She advised that the following policies were open for casual discussion at this Policy Workshop:

- Comprehensive Financial Policy
- Debt Management Policy
- Fund Balance Policy
- Personnel Policy

Ms. Parrish also advised that Town Staff has been working closely with the Local Government Commission, a part of the State Treasurer's Office, who oversees the audit process. Town Staff has been working with Representative Becky Garland and the financial policies included today are at her request to implement. All of these are new policies except for the Fund Balance Policy which exists but is unable to be located. Ms. Parrish advised that most of the policies are being followed but need to be written and approved.

Finance Officer Rachel Eddings explained how the policies were derived.

Ms. Parrish advised that the current Fund Balance Policy is 35% with the state requirement being 8%. The recommendation of 25% would put the Town of Montreat well above what is required by the State. Ms. Parrish also advised that lowering the Fund Balance would give the Town more

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flexibility in budgeting. Mayor Pro Tem Mason Blake stated that he would want to make sure that lowering the Fund Balance would be in the public's best interest. Commissioner Tom Widmer advised that the State requires the Town of Montreat to set aside an amount of money that is defined by a specific formula and this money cannot be utilized.

Ms. Parrish advised that the Local Government Commission had recommended a Fund Balance of 25% which would amount to about three months of working cash in case of an emergency. Mayor Tim Helms stated that he would prefer 30% over 25% because he believes it will be easier to explain to the public if it is only 30%.

Ms. Eddings advised that one of the auditors, Fran Noel, notified her that although the Town had no financial or internal control issues there was an issue with the water fund. The water/sewer infrastructure is low and is less than 50%. Ms. Eddings also advised that she had to address this issue in writing and she had sent it over to the auditors for review.

Ms. Parrish feels that an infrastructure study on the Town's water system is needed in the near future. Ms. Parrish acknowledged that the work the Council did on raising the water rates was great but she is not sure they are where they need to be.

Commissioner Tom Widmer stated that the word "accessible" in the Fund Balance Policy is not a word that they use. Commissioner Widmer advised that the Fund Balance has always been referred to as "available" funds. Ms. Eddings stated that the "available" Fund Balance is the 35% while the "accessible" Fund Balance includes restrictions and amounts to about five months of working cash. Commissioner Widmer wants to make sure that the correct terms are being used in the policy. Mayor Pro Tem Blake asked if the "accessible" Fund Balance is what had been being referred to as the "available" Fund Balance previously. Both Ms. Parrish and Ms. Eddings stated that was correct. Ms. Parrish stated that Town Staff would revise the document to lower the Fund Balance percentage so that they could work on simplifying the language. Ms. Eddings advised that the 2017 audit stated that the Town of Montreat had a 35% Fund Balance requirement while previous audits stated there was not a requirement. Ms. Parrish stated that what may have happened is the 35% was accepted into the minutes as the requirement and now Town Staff is creating a policy based on that acceptance. Mayor Pro Tem Blake stated that he had a few changes that he will provide to Ms. Eddings.

There were no other questions about the financial policies.

Ms. Parrish advised that at each seat there was a current Personnel Policy, a revised Personnel Policy and a sample Personnel Policy from Holly Springs, NC. Ms. Parrish then asked for questions, comments, and concerns. Mayor Pro Tem Mason Blake felt that the revised policy was too long. Ms. Parrish advised that in her research to draft the revised policy it was not unusual to find a 200+ page personnel policy. Ms. Parrish feels that this is a light document compared to what other Town's are doing. Commissioner Tom Widmer stated that the Town of Montreat only has thirteen full-time employees, and the document is too long. Ms. Parrish stated that the Town of Laurel Park,

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who has close, if not less, than the number of employees as Montreat, has a 200-page personnel policy.

Ms. Parrish stated that the revised policy had been reviewed by Town Attorney Susan Taylor Rash, who added more to the FMLA and Conflicts of Interest sections. Mayor Tim Helms stated that he would prefer the discrimination section to only include what is required by law and nothing else. Mayor Pro Tem Blake feels that the larger the document the more of a chance of risk is involved. Mayor Pro Tem Blake does not want to “pigeonhole” us with too much writing.

Ms. Parrish stated that the police department has its own set of rules with regards to overtime and comp pay and she wanted to incorporate those rules into the actual policy. Ms. Parrish stated that we do not want employees to earn so much compensation time that if they were to quit or retire the Town would be paying them out a large amount of money. Commissioner Tom Widmer felt that reducing the 240-hour limit would encourage employees to utilize their time off more. Ms. Parrish is not opposed to reducing it either.

Commissioner Tom Widmer stated that he would like to see “in the Town of Montreat” added to the section on political activity for further clarification. Commissioner Widmer also added Item g which stated that no employee shall wear politically inspired clothing. Mayor Pro Tem Mason Blake suggested running that by Mrs. Rash to make sure it would not be a free speech issue.

Town Manager Savannah Parrish stated that she was proposing adding two more days to the holiday calendar to align with the state and county calendar more closely. Commissioner Tom Widmer asked why that would be important. Ms. Parrish felt that it would eliminate confusion and be more consistent. Commissioner Tom Widmer suggested excluding the floating holiday list and just call it a “floating holiday”. Ms. Parrish suggested leaving Veteran’s Day as a given holiday and reducing the Christmas holiday from three days to two days. Commissioner Tom Widmer had a suggestion about Section 9 – “vacation leave manner of taking” and it involved removing the word “consecutive” before days. Commissioner Tom Widmer also questioned whether the accrual rate for sick leave should be added back to the revised policy for clarification purposes. Mayor Tim Helms asked if the Town defined “immediate family” and Ms. Parrish read the list aloud. Commissioner Tom Widmer asked for further clarification on the funeral leave policy. He suggested adding “per year” to the phrase that states employees receive three days per year. Commissioner Widmer also suggested adding some verbiage that explained the relationship to the deceased.

Commissioner Widmer questioned if sexual harassment fit in anywhere under unsatisfactory job performance. Ms. Parrish stated that she would more clearly add it to the policy. Ms. Parrish also stated that the document needs some cleanup for formatting and typographical errors. She plans to make the corrections and circulate back to the Commission for review. Ms. Parrish stated her plans to put the revised policy on the December agenda for adoption.

Mayor Tim Helms expressed his desire to have a budget planning session in late January/early February with Town Staff and the Commission. Ms. Parrish stated that it was her intent to have

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three budget focused workshops before the public hearing.

Mayor Pro Tem Mason Blake moved to adjourn the meeting. Commissioner Grant Dasher seconded and the motion carried 4/0.

The policy workshop was adjourned at 10:18 a.m.

Tim Helms, Mayor

Angie Murphy, Town Clerk