



**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN**  
**BUDGET WORKSHOP CIP MEETING MINUTES**  
**April 19, 2018**

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**THE BLACK MOUNTAIN BOARD OF ALDERMEN** held a budget workshop and capital improvement plan meeting on Thursday, April 19, 2018 at 8:30 a.m. in the board room of Town Hall, 160 Midland Avenue, Black Mountain, NC. The purpose of the meeting was to discuss the FY2018-19 budget and capital improvement plan projects for the Town. The next scheduled budget workshop and capital improvement plan meeting is scheduled for Monday, April 30, 2018 at 8:30 a.m. at Town Hall.

**1. CALL TO ORDER**

*Mayor Collins called the meeting to order at 8:35 a.m. with the following members present:*

Mayor Don Collins  
Vice Mayor Maggie Tuttle  
Alderman Larry Harris  
Alderman Jeremie Konegni  
Alderman Carlos Showers  
Alderman Ryan Stone

The following staff members were present:

Matt Settlemyer, Town Manager  
Dean Luebbe, Assistant Town Manager/Financial Services Director  
Angela L. Reece, Town Clerk  
Shawn Freeman, Police Chief  
John Wilson, Deputy Fire Chief  
Jessica Trotman, Planning Director  
Jamey Matthews, Public Services Director  
Casey Conner, Recreation Services Director  
Ronald E. Sneed, Attorney-Absent

Mayor Don Collins called the meeting to order and opened the floor for discussion.

Town Manager Settlemyer began the discussion with the Budget Overview and a Changes in Budget handout which is made part of and included in these minutes. Manager Settlemyer discussed the ***Total Funds Budget Summary*** on page 7 of the FY2018-19 Manager's Recommended Budget document comparing it to FY2017-18 adopted budget, stating the General Fund has decreased by 1.75%, Water Fund has increased by 5.59%, and the Golf Fund has decreased by 5.64%. Manager Settlemyer stated he considers the recommended budget a flat budget due to sales tax and franchise tax revenues flattening out. He stated growth and property tax are steady and revenues are steady. The total FY2018-19 Managers Recommended Budget is **\$11,021,329.**

Black Mountain Board of Aldermen  
Budget Workshop CIP Meeting Minutes - April 19, 2018

Manager Settlemyer discussed ***Fund Balance and Debt*** stating the town had \$5.3M in debt in 2011 and has a little over \$4M in 2018 and that's after adding \$1.5M for the purchase of the Foam & Fabric building for Public Services and Recreation. Manager Settlemyer stated the fund balance has gone up and debt has gone down.

Manager Settlemyer discussed ***Capital Reserve Funds*** on page 115 of the Managers Recommended Budget stating this is our biggest year for capital investments. Manager Settlemyer stated it is important to continue to set aside funds in capital reserve to pay for projects and capital items. He cautioned the Board that once funds are designated for capital reserve then those funds are set aside for that purpose. Manager Settlemyer encouraged the Board to continue the practice of setting money aside in capital reserve funds to pay for larger projects and equipment needs in future years rather than incurring debt for them. Manager Settlemyer reminded the Board once funding is placed into a capital reserve fund then it is designated for capital projects. He stated the type of capital item can change but the funding is committed for capital.

Manager Settlemyer stated the Planning Department has many capital projects which may be of interest to the public. He stated a recommendation has been made by the MPO subcommittee for project prioritization for grant funding to complete the River Walk Phase II project and will go to the MPO Board in April for final approval. Manager Settlemyer stated if approved this will add an additional \$2.25M to the project cost. He reminded the Board they have been setting aside \$80,000 per year beginning in FY2015-16 for a five year period totaling \$400,000, which is 20% of the initial total project cost of approximately \$2M. He stated due to budget adjustments for engineering and connections underneath Highway 9, additional connections into the Downtown area as well as connections to Montreat, the total cost has increased an additional \$2.25M and said the Board now needs to consider how they wish to continue to fund this project. Manager Settlemyer stated if approved, the Board would now be committing an additional \$400,000 and they could choose to extend the timeline and keep placing funding in capital reserve then adjust the timeline depending on additional sources of funding. At this time the total project cost to complete the River Walk Greenway will be \$4.25M and the Town's 20% grant funding match will be \$800,000. Manager Settlemyer said there are a lot of other needs in town this needs to be balanced with and feels this is a balanced approach.

Manager Settlemyer discussed other projects and small area plans which will tie into the proposed Blue Ridge Road Interchange. Manager Settlemyer discussed the downtown traffic study and said we have received funding but it will not be available until July 1, 2018 and said due to the processes and data collection timeframe it could take over 6 months to begin the study. Manager Settlemyer addressed the parking reconfiguration on Cherry Street. MSD has been in the area replacing sewer lines and will ultimately be repaving Cherry Street. Manager Settlemyer stated they will re-stripe the street as it is now unless the Board wishes to reconfigure the traffic pattern. Several business owners including, Walter & Sydney McDougald of Sweets on Cherry Street, Stephanie Wilder of Chifferobe, and Lynsey Smith of DANG! Mountain Fairy Hair came to the meeting with a petition which is made part of and included in these minutes asking the Board of Aldermen to reconfigure the traffic pattern and stripe Cherry Street once MSD re-paves it. Manager Settlemyer stated he does not know what the traffic and circulation study will determine but said Cherry, Broadway and Sutton will be re-paved very soon. Mayor Don Collins discussed the concerns of business

Black Mountain Board of Aldermen  
Budget Workshop CIP Meeting Minutes - April 19, 2018

owners and the restriping of the street after MSD re-paves it. Manager Settlemyer stated he has approached Mark Teague who was a division engineer with NCDOT who advised he would survey Cherry Street for \$2,000. Manager Settlemyer stated he feels an engineering study by a traffic engineer is needed. Alderman Larry B. Harris stated he is in favor of Cherry Street being a one way street but is concerned about the pattern and the impacts in Town. Alderman Harris said he believes the traffic study is needed to address traffic flow throughout the Town, however for this particular project he believes it makes good sense to approach Teague's firm for recommendations. Manager Settlemyer stated this funding would come from the FY2017-18 Budget.

***Alderman Larry B. Harris moved to engage J.M. Teague Engineering firm to conduct a traffic study and make recommendations for Cherry Street to make it one way.***

***The motion passed unanimously by a vote of 5-0.***

Manager Settlemyer asked for clarification from the Board that they do wish to continue with the traffic study and the Board advised to proceed. Assistant Manager/Finance Director Dean Luebbe stated the traffic study is included in the recommended budget in the amount of \$35,000, of which \$28,000 will be covered through grant funding. The Town's portion will be \$7,000.

Alderman Larry B. Harris stated he would like to see a bit more clarification when it comes to grant funded project figures and said he believes it would be more helpful to citizens to know where their tax dollars are allocated rather than seeing total project costs. Mr. Luebbe stated these figures are broken down further under the project descriptions in the following pages. The parking and circulation study is broken down on page 133.

Manager Settlemyer continued the discussion with several of the projects for the Fire Department including living quarters updates at the Public Safety Building and the future purchase of a new fire truck. Alderman Carlos Showers clarified the living quarters updates are not cosmetic and are for the foundation of the building. Alderman Showers stated this renovation has been discussed various times since his tenure on the Board and said the foundation sits on pylons over an underground stream and is crumbling. Alderman Showers stated the repairs to the Public Safety Building are long overdue. Manager Settlemyer reminded everyone of the cash purchase in 2017 of a \$550,000 fire truck that resulted from four years of savings set aside in capital funds and praised the Board for continuing this practice.

Mayor Don Collins inquired about the bridge replacement capital project on page 159 which is listed in FY19-20 at a cost of \$800,000. Manager Settlemyer stated this project is listed only if the Town can receive grant funding to offset the cost of replacement. Mr. Luebbe confirmed that each year the safety rating of the bridge declines which makes the bridge more eligible for grant funding and stated the project will be moved out to later fiscal years depending on funds.

Alderman Larry B. Harris inquired of renovation costs pertaining to the new Public Services/Recreation building on Black Mountain Avenue and Manager Settlemyer stated staff has budgeted for \$50,000 initially to bring the building into compliance for staff to move in.

Mayor Don Collins inquired regarding the 3 police vehicles being requested on page 135. Manager Settlemyer recalled purchasing two during the last fiscal year and reminded the Board that police restricted revenues were used to purchase a vehicle in January 2018 to replace a vehicle with

Black Mountain Board of Aldermen  
Budget Workshop CIP Meeting Minutes - April 19, 2018

transmission failure. Chief Shawn Freeman stated the Police Department has four vehicles with well over 100,000 miles and said two of those vehicles are over 12 years old. Chief Freeman stated he was looking at purchasing vehicles with extended warranties of 100,000 miles which will save the town repair and maintenance costs over the life of the vehicle. Chief Freeman said of the vehicles he is looking to process out one cost the town \$5,420 and another cost \$6,264 in repairs due to no warranties and age. Chief Freeman stated the goal is to update the fleet and to process vehicles out on time to save the town money. He said if this process was implemented it would have had a potential savings of \$11,000 \$15,000. Chief Freeman also stated the request is to purchase all wheel drive vehicles and a pickup truck which can be utilized in hazardous weather conditions as well as in assisting the Public Services Department with barricade placement during festivals. Chief Freeman stated he plans to narrow the reserve fleet down to two vehicles. Reserve vehicles are used when another vehicle needs maintenance.

Manager Settlemyer discussed police radio replacement and stated Chief Freeman has approached a vendor who has agreed to lease to own a complete system. Mr. Dean Luebbe stated staff feels it is urgent to purchase a system and said the other option is to budget funding annually and have a system piece-mealed together. Mr. Luebbe stated a vendor has agreed to install a complete new system now with 0% interest and agreed to allow annual payments beginning in FY 19-20 for the next three years totaling approximately \$390,000. Chief Freeman stated the VIPER radio system will bring the Police Department up to the recommended standard and allow them to communicate with other agencies for officer safety. He said currently Black Mountain Police Department does not have that capability and referred to an emergency call not long ago citing once officers were out of range they have no radio contact at all with dispatch or other officers. Manager Settlemyer stated he wanted to be clear if approved this is a commitment in future years by the Board.

Alderman Ryan Stone stated generally the Board's policy was to replace two police vehicles per year and discussed the budget outline on page 3 regarding personnel. Alderman Stone stated he preferred allowing the purchase of two police vehicles, and using the additional funding from the third vehicle to provide merit raises for employees in addition to the proposed 3% cost of living raise. Mr. Luebbe stated a police vehicle purchase averages anywhere from \$35,000 to \$38,000 and said a 1% merit raise for employees would average around \$40,000. Manager Settlemyer suggested awarding employees a merit raise rather than a merit bonus, which is a one-time bonus check. Manager Settlemyer stated merit bonuses have been awarded to eligible employees twice in the last five years and although it is a cost savings to the town it does not have a long term effect on employee salaries and their retirement. Manager Settlemyer stated all employees are appreciative for any type of raise they receive but feels a merit raise is a way to encourage employees to stay with the town for a long time. He stated he feels the benefits are competitive and beneficial to employees but the average employee looks at their net pay. Department heads discussed issues surrounding salary compression with the Board saying they feel merit raises are beneficial in relieving compression issues between new hires and long term employees and would incentivize employees to go above and beyond what is required of them. Alderman Larry B. Harris stated his perception of building a merit raise into the compensation structure is that it becomes part of the cost of living and is given to all employees. Alderman Harris discussed budgeting projections and stated the Board would not budget the full 1% for a merit raise as not everyone would receive it. The Board asked Mr. Luebbe to provide merit projections for future years on the budget.

Black Mountain Board of Aldermen  
Budget Workshop CIP Meeting Minutes - April 19, 2018

Alderman Ryan Stone stated the Town will always need new police cars and new equipment but said the investment, and most important part, are the employees. Alderman Stone said he would like to see resources being allocated to the employees as a way of being appreciative of them and stated they are undervalued nationally and at the state level and said he will not allow this to happen to Black Mountain.

Alderman Carlos Showers inquired of the current performance evaluations and clarified this is used in order to determine a merit raise. Mayor Don Collins requested salary and compensation including any bonuses for all employees of the town to be presented to the Board by their next budget meeting.

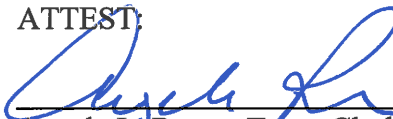
Manager Settlemyer discussed items that need to be considered which do not impact the budget such as recommending an increase in the fire district tax by 2 cents in order to fund an additional position at the Fire Department. The Board favored this if the fire tax was increased. Manager Settlemyer stated the Police Department has also requested an additional position and could fund it using the monies that were allocated for the BCAT partnership with the County and by using funding saved by reducing the overtime and part time budget at the Police Department. The Board expressed concern of future overtime costs rising.

There was no further discussion.

***The Board agreed to hold the next Budget Workshop/CIP Meeting on Monday, April 30, 2018 at 8:30 a.m. at Town Hall.***

***There being no further business, Mayor Collins adjourned the meeting at 11:15 a.m.***

ATTEST:

  
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Angela L. Reece, Town Clerk

  
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Don Collins, Mayor

  
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Matt Settlemyer, Town Manager