



TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
SPECIAL CALL MEETING MINUTES
March 20, 2019

THE BLACK MOUNTAIN BOARD OF ALDERMEN, held a special called meeting on Wednesday March 20, 2019 at 5:30 p.m. in the board room of Town Hall, 160 Midland Avenue, Black Mountain NC. The purpose of this meeting was for the Board of Aldermen to discuss a budget amendment regarding employee benefits and to determine the effective date for the Cheshire Lighting Contract that was approved by the Board at their March 11, 2019 regular session meeting.

1. CALL TO ORDER

Mayor Collins called the special meeting to order at 5:30 p.m. with the following members present:

Mayor Don Collins
Vice Mayor Maggie Tuttle
Alderman Larry Harris
Alderman Carlos Showers
Alderman Ryan Stone – arrived at 5:32 p.m.
Alderman Tim Raines

The following staff members were present:

Josh Harrold, Town Manager
Dean Luebbe, Assistant Town Manager
Angela Reece, Town Clerk
Ron Sneed, Town Attorney

Discussions regarding the employee free water benefit were continued from the March 11, 2019 regular session meeting. It has been the practice of the Town of Black Mountain for at least the past 40 years to provide free water to employees who resided within the town limits. As of the date of these minutes the Town employs 74 full-time employees. Manager Harrold provided information to the Board and advised a total of 16 full-time employees and 1 non-employee were receiving free water (not sewer). Manager Harrold distributed letters on February 28, 2019 to the employees receiving this benefit advising that the Town will no longer provide free water effective April 1, 2019. The letter is attached to and made part of these minutes. Manager Josh Harrold stated he discovered this practice may not comply with current law and he took action to remove of the benefit after speaking with the Town Attorney and UNC School of Government.

Mayor Collins opened the meeting for discussion. Town Manager, Josh Harrold presented a budget amendment in the amount of \$21,125.79 to increase all eligible full-time employees' salaries by \$20.25 per month retroactive from July 2018 and moving forward to compensate for

Black Mountain Board of Aldermen
Special Call Meeting Minutes – March 20, 2019

the discontinuance of the employee free water benefit. Employees who received the actual free water benefit will not receive the retroactive amount. Board members Manager Harrold clarified the retroactive benefit check is approximately \$180.00 per employee who did not receive the free water benefit over the last nine months of the current fiscal year. Manager Harrold stated this change complies with law, making the benefit is taxable and is the most equitable way to compensate all full-time employees.

Alderman Harris stated that it was his hope that the employees could understand that the town cannot continue the practice of providing free water services to town employees who reside within the city limits. Legal counsel at the NC School of Government and the Town Attorney both have advised the Board of Aldermen that this practice should be discontinued. Alderman Harris stated legal counsel at the School of Government and the Town Attorney has advised free water cannot be provided in the manner in which it has been. Board members discussed the budget amendment with the Town Attorney. Alderman Tim Raines clarified the amendment figure was based on the average water usage. Attorney Sneed clarified the amendment will give all full-time employees a \$20.52 monthly raise. Assistant Manager Dean Luebbe stated after taxes the amount would equate to approximately \$9.00. Alderman Harris clarified that the non-employee was removed from the benefit and will not receive any further benefit.

Alderman Larry B. Harris moved to approve Budget Amendment #FY2019-19 as submitted, increasing personnel and benefit expense accounts in each department that pays full-time employees by a total of \$21,125.79.

The motion was unanimously approved by a vote of 5-0.

The Board of Aldermen discussed the Agreement for Partial Reimbursement of Street Lighting Costs with Cheshire Master Association. Attorney Sneed clarified this contract was approved at the March 11, 2019 regular meeting but no effective date was decided. Board members agreed to make the contract effective beginning May 1, 2019.

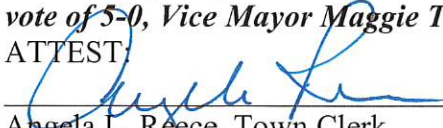
Alderman Carlos Showers moved to approve the effective date of May 1, 2019 for the Agreement for Partial Reimbursement of Street Lighting Costs with Cheshire Master Association

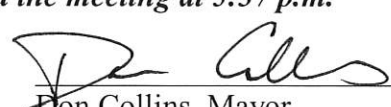
The motion was unanimously approved by a vote of 5-0.

Town Manager Harrold reminded everyone the first budget workshop meeting would take place on Thursday, April 25, 2019 at 8:30 a.m. at Town Hall. No further business was discussed.

There being no further business, on a motion made by Alderman Larry B. Harris and with a vote of 5-0, Vice Mayor Maggie Tuttle adjourned the meeting at 5:37 p.m.

ATTEST


Angela L. Reece, Town Clerk


Don Collins, Mayor



Attachments to 3-20-19 Special Call Minutes

PUBLIC NOTICE

BLACK MOUNTAIN BOARD OF ALDERMEN

SPECIAL CALL MEETING

Wednesday March 20, 2019 at 5:30 p.m.

The Black Mountain Board of Aldermen will meet in special call meetings on **Wednesday, March 20, 2019 at 5:30 p.m.** in the Board Room in the Town Hall Building, 160 Midland Avenue, Black Mountain, NC. The purpose of this meeting is for the Board of Aldermen to discuss a budget amendment regarding employee benefits and to determine the effective date for the Cheshire Lighting Contract that was approved by the Board at their March regular session meeting.

The meeting is open to the public.


Angela L. Reece
Town Clerk

The Town of Black Mountain is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or a particular accommodation for this meeting please contact, Angela Reece, Town Clerk at 419-9310 or by email at townclerk@townofblackmountain.org

Posted to the Town Bulletin Board 3/14/19

TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: March 20, 2019

SUBJECT: Budget Amendment #FY2019-18

AGENDA INFORMATION

Department: Finance
Contact: Dean Luebbe, Assistant Town Manager/Finance Director
Presenter: Josh Harrold, Town Manager

BRIEF SUMMARY: At the March 11, 2018 regularly scheduled Board meeting, discussion took place regarding the policy the Town has had in place for at least twenty years that allowed full time employees that resided within Town limits the right to have the water portion of their monthly bill from the Water Department to be waived. This averaged out to be approximately \$20.52 per employee per month. Currently, there are sixteen employees receiving this benefit. Initially, the Town Manager recommended eliminating this benefit, but after some discussion the Board decided upon an alternative solution. Moving forward, all employees will pay the full water and sewer charges. The Board has decided to give all eligible full-time employees a \$20.52 per month increase in salary to compensate for the water benefit. This increase will be retroactive back to July 1st, 2018. The employees who received the actual benefit from July of 2018 through March of 2019 will not receive the retroactive amount.

MOTION FOR CONSIDERATION: To approve Budget Amendment #FY2019-19 as submitted, increasing personnel and benefit expense accounts in each department that pays full time employees by a total of \$21,125.79.

FUNDING SOURCE: N/A.

ATTACHMENTS: N/A.

MANAGER'S COMMENTS AND RECOMMENDATIONS: Adopt as presented.

Budget Amendment # 2019-18
Fiscal Year 2018-2019

Dept.	Account #	Account Name	Debit	Credit	Comments
	See Backup				To record funding
					for \$20 per each FT
					employee for FY19
					for water usage.

Totals:

-

BD #

Entered By:

Journal #

Fiscal Yr

Approved By:

Date

Date

Number of months	12
Monthly	\$ 20.52
Biweekly	\$ 9.47

Number of employees

Admin	4	1000-4200-0	20 FT Salaries	984.96
		1000-4200-0	50 FICA	75.35
		1000-4200-0	70 LGERS	151.68
		1000-4200-0	80 401K	49.25
Police	20	1010-5100-0	20 FT Salaries	4,924.80
		1010-5100-0	50 FICA	376.75
		1010-5100-0	70 LGERS	758.42
		1010-5100-0	80 401K	246.24
Fire	16	1010-5300-0	20 FT Salaries	3,939.84
		1010-5300-0	50 FICA	301.40
		1010-5300-0	70 LGERS	606.74
		1010-5300-0	80 401K	196.99
Planning	2	1010-5400-0	20 FT Salaries	492.48
		1010-5400-0	50 FICA	37.67
		1010-5400-0	70 LGERS	75.84
		1010-5400-0	80 401K	24.62
PW Admin	2	1020-5550-0	20 FT Salaries	492.48
		1020-5550-0	50 FICA	37.67
		1020-5550-0	70 LGERS	75.84
		1020-5550-0	80 401K	24.62
Streets	7	1020-5600-0	20 FT Salaries	1,723.68
		1020-5600-0	50 FICA	131.86
		1020-5600-0	70 LGERS	265.45
		1020-5600-0	80 401K	86.18
Rec	3	1080-6190-0	20 FT Salaries	738.72
		1080-6190-0	50 FICA	56.51
		1080-6190-0	70 LGERS	113.76
		1080-6190-0	80 401K	36.94
Rec	1	1082-6190-0	20 FT Salaries	246.24
		1082-6190-0	50 FICA	18.84
		1082-6190-0	70 LGERS	37.92
		1082-6190-0	80 401K	12.31

1000-3905-900	Fund Balance Approp	17,342.07
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Water - Customer Serv	2	3091-7200-0	20 FT Salaries	492.48	
		3091-7200-0	50 FICA	37.67	
		3091-7200-0	70 LGERS	75.84	
		3091-7200-0	80 401K	24.62	
Water - Ops	7	3091-8100-0	20 FT Salaries	1,723.68	
		3091-8100-0	50 FICA	131.86	
		3091-8100-0	70 LGERS	265.45	
		3091-8100-0	80 401K	86.18	
		3091-3905-900	Fund Balance Approp		2,837.79
Golf - Operations	2	5092-6210-0	20 FT Salaries	492.48	
		5092-6210-0	50 FICA	37.67	
		5092-6210-0	70 LGERS	75.84	
		5092-6210-0	80 401K	24.62	
Golf -Pro Shop	1	5092-6310-0	20 FT Salaries	246.24	
		5092-6310-0	50 FICA	18.84	
		5092-6310-0	70 LGERS	37.92	
		5092-6310-0	80 401K	12.31	
		5092-6210-150	MR Buildings Grounds		945.93
	67.00	TOTAL		21,125.79	21,125.79

February 28, 2019

Letter given to employees by Town Manager

Please let this letter serve as notice that as of the April 1, 2019 billing cycle the Town will begin charging you for your water usage. After consulting with attorneys at the UNC School of Government, the town does not have the authority to provide this service free of fees. I realize this is a service that's been provided to town employees for a number of years and I hesitate to remove this benefit from you; however, I feel it is in the town's best interest to do so in order to comply with North Carolina laws.

In Public Service,

Josh Harrold
Town Manager



Angela Reece <angela.reece@townofblackmountain.org>

Free Water Black Mountain

Larry Harris <LHarris@parsecfinancial.com>

Thu, Mar 14, 2019 at 12:36 PM

To: Fred McCormick <fred@blackmountainnews.com>

Cc: "townboard@townofblackmountain.org" <townboard@townofblackmountain.org>, "ronsneed@bellsouth.net" <ronsneed@bellsouth.net>

Fred, I was reminded by my wife when I came home Monday night that when I served on the town board close to 30 years ago the aldermen received free water. I had completely forgotten about it and I wanted to disclose. We also had the use of free golf carts and green fees if a golfer. I don't think anyone intends to blame any past boards or administrations but to address the needed compliance at the present with state and federal laws pertaining to use of public property and income tax reporting and compliance. Best, Larry

Larry B. Harris, CPA, CFP®

ParsecFinancial

85 Peachtree Rd

Asheville, NC 28803

Phone: (828) 277-7400

Fax: (828) 277-7444

www.parsecfinancial.com

Town votes to end free water benefit for employees

16 had been getting job perk that was offered for decades

Fred McCormick Black Mountain News
USA TODAY NETWORK

A longstanding benefit for some town employees in Black Mountain will cease after aldermen voted to put an end to it on March 11.

The board voted 4-1 to stop providing free water service to workers who live within town limits, a practice town manager Josh Harrold discovered has been in place for decades.

"Since my appointment I've become aware of instances where the town could be operating outside of its authority and I have taken measures to correct the error," Harrold told aldermen and mayor Don Collins.

Harrold was one of 16 people currently employed by the town receiving free water from the town as a benefit, which he was offered when he accepted the position last October.

"I didn't think anything about it, to be honest," he said. "I was at a city-county managers conference in February, and as you can imagine at those conferences you hear about all kinds of issues impacting small towns in N.C."

Harrold told some of his colleagues that Black Mountain employees who live in the town receive free water as a benefit of working for the town.

"The reaction I got was along the lines that this practice seemed a little weird and wasn't something typically offered," he said.

The town manager reached out to the UNC School of Government for advice on the matter.

"Their feedback was that we didn't have the authority to provide that the way were providing it," Harrold said. "I was told it could be done as a benefit so it could be taxable, but the way it was operating at the time was outside our authority as a municipality."

Alderman Maggie Tuttle asked Harrold if he was able to find out when the practice began.

"At least 40 years," alderman Larry Harris said.

Alderman Ryan Stone nodded his head in agreement.

"If not longer," he said. "Probably since the 1950s."

Mayor Don Collins applauded Harrold's

handling of the matter.

"One thing I've known about Josh since his last stint with the town is that he won't do something he's not supposed to do," Collins said. "Once he learned that this wasn't alright to do he looked into it and brought it to the board."

Collins added that he believed it wasn't right to subsidize certain employees with tax dollars and not others.

Discontinuing the benefit required a vote by the board.

Stone expressed concern over taking away a benefit from employees who had been receiving it for years.

"Certainly that raises concerns among individuals because that is money out of their pockets," he said. "I know that's not your intent or our intent as a board to not value their service and honor what we've committed to do for them."

Stone advocated for keeping the benefit for an additional month until aldermen could vote on a fair way to provide it equitably.

"I think we need to continue as it is until we vote on an alternative," he said.

Collins and Harris disagreed with Stone.

"I don't know how we could keep doing that when we know it's not allowed," Collins said.

"I agree," Harris added.

In an email to The Black Mountain News on March 14, Harris said he was reminded by his wife that aldermen received free water as well when he served on the board from 1987-89.

"I had completely forgotten about it and I wanted to disclose this," he said. "We also had the use of free golf carts and green fees if we were golfers. I don't think anyone intends to blame any past boards or administrations but to address the needed compliance at the present with state and federal laws pertaining to use of public property and income tax reporting and compliance."

Stone was the lone dissenting vote as aldermen took action to stop providing free water services for employees living in the town, but a special called meeting on March 20 will allow them to consider a budget amendment that will compensate all employees fairly, Harrold said.

"What we'll do is present something that will make it right for those who weren't getting that benefit," he said.

AGREEMENT FOR PARTIAL REIMBURSEMENT OF STREET LIGHTING COSTS

Between

THE TOWN OF BLACK MOUNTAIN
102 Montreat Road, Black Mountain, N.C. 28711

And

CHESHIRE MASTER ASSOCIATION, INC.
1 Cheshire Drive, Black Mountain, N.C. 28711

Effective Period: _____, 2019 through June 30, 2020

This agreement, entered into on the part of the Town of Black Mountain (the "Town") and Cheshire Master Association, Inc. (the Association), is designed to set forth the parameters for reimbursement of costs associated with the operation of streetlights located on public streets within the development known as Cheshire, A Mountain Village ("Cheshire"). By entering into this agreement the Town recognizes the unique nature of the design of the Cheshire development and the desire of both the developers and the homeowners in that subdivision to have streetlights that are not in keeping with those normally offered and installed by Duke Energy Progress and its predecessors on the behalf of the Town. The Town, in consideration of the increased property values resulting from an enhanced street lighting system and the resulting increased tax basis for the Town, agrees to enter into this agreement to partially reimburse the Association for the electrical costs associated with the operation of said lights. Such cost shall not exceed the amount the Town would pay for the operation of street lights it would have installed pursuant to its Street Lighting Policy.

Partial reimbursements for costs associated with the operation of streetlights shall be made in accordance with the following guidelines.

1. Reimbursements for eligible costs associated with street lighting under this agreement shall be made only for lighting that has been installed and is located on publicly dedicated, accepted, and maintained streets within the Cheshire development.
2. Costs eligible for reimbursement shall be based upon calculations made by the Town regarding the number of streetlights that would have been placed on the public rights-of-way in accordance with the Town's interpretation and application of the provisions of the Town of Black Mountain Street Lighting Policy that is in effect at the time this agreement is signed by both parties (copy attached hereto as Appendix I). The monthly pole charge¹ charged by Duke Energy Progress to the Town for the shall then be multiplied by the number of lights that would have been provided in

¹ The "pole charge" is the amount Duke Energy Progress charges each month for each pole it installs for the placement of street lights as requested by the Town where there is no previously existing power pole that can be used.

accordance with the Town's interpretation of that policy, and that amount will be reimbursed to the Association. In addition, each month the Town will reimburse the Association an amount for electricity usage for streetlights equal to the average charge per streetlight the Town pays to Duke Energy Progress for electricity for the streetlights paid for by the Town for the number of streetlights in Cheshire the Town would have installed pursuant to its Street Lighting Policy. The resultant figure shall be paid to the Association monthly.

The terms of this agreement shall not be construed to include reimbursement of costs associated with, or responsibility for, maintenance of the streetlights within this subdivision. For the purposes of this agreement maintenance of the streetlights shall include but not necessarily be limited to the repair or replacement of any poles, wiring, fixture features, or light bulbs.

Streetlights selected for placement in the Cheshire subdivision shall meet all Town standards for the display of outdoor lighting fixtures. In addition, the design of said fixtures shall meet with the approval of the Town prior to installation within the Cheshire subdivision.

This agreement shall be effective _____, 2019 and shall remain in effect until June 30, 2020, and shall be renewed automatically from year to year unless superceded, modified, or terminated by either party upon 30 days written notice.

If any developer or builder completes, extends or constructs streets within Cheshire and adds streetlights, the Town will begin reimbursements for such additional lights that are within the guidelines of the Street Lighting Policy at such time as the lights are installed and operational and the streets upon which they are located have been dedicated to public use and accepted by the Town of Black Mountain.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the dates set out.

THE TOWN OF BLACK MOUNTAIN

CHESHIRE MASTER ASSOCIATION, INC.

By: _____
Josh Harrold
Town Manager

By: _____

President