TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
BUDGET WORKSHOP CIP MEETING MINUTES
April 25, 2019

THE BLACK MOUNTAIN BOARD OF ALDERMEN held a budget workshop and capital improvement plan meeting on Thursday April 25, 2019 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 FY2019-20 budget and capital improvement plan projects for the Town. The next scheduled budget workshop and capital improvement plan meeting is scheduled for Monday, May 20, 2019 at 5:00 p.m. at Town Hall.

1. CALL TO ORDER

Mayor Collins called the meeting to order at 8:37 a.m. *with the following members present*:

Mayor Don Collins
Vice Mayor Maggie Tuttle
Alderman Larry Harris
Alderman Tim Raines
Alderman Carlos Showers
Alderman Ryan Stone – left at 9:50 a.m.

The following staff members were present:

Josh Harrold, Town Manager
Dean Luebbe, Assistant Town Manager/Financial Services Director
Angela L. Reece, Town Clerk
Ronald E. Sneed, Attorney - absent
Shawn Freeman, Police Chief
Scottie Harris, Fire Chief
John Wilson, Deputy Fire Chief
Jessica Trotman, Planning Director
Jamey Matthews, Public Services Director
Joshua Henderson, Recreation Services Director

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

Town Manager Harrold began the discussion with the Budget Overview handout which is made part of and included in these minutes. Manager Harrold discussed the ***Total Funds Budget Summary*** on page 5 of the FY2019-20 Manager's Recommended Budget document comparing it to FY2018-19 adopted budget, stating the General Fund has increased by 4.24%, Water Fund has decreased by 1.76%, and the Golf Fund has increased by 2.95%. Manager Harrold stated growth, property tax revenues, and other revenues remain steady. The total FY2019-20 Managers Recommended Budget is $**11,570,230**.

Manager Harrold discussed ***Fees and Rates*** stating services will remain the same for the upcoming fiscal year and proposed implementation of **fire inspection fees** which is made part of and attached to these minutes. **Water rates** have been **increased by 4%** from (in town) $6.25 to $6.50 per 1,000 gallons and (out of town) $10.18 to $10.59 per 1,000 gallons. Manager Harrold reminded the Board that **impact fees** have been eliminated by the NC General Assembly, which reduces all tap fees by $700.00. Manager Harrold stated the town is currently under contract with McGill and Associates to perform a System Development Fee Analysis.

Manager Harrold discussed ***Fund Balance and Debt*** stating the town had $5.3M in debt in 2011 and has just over **$4M** in 2019 and that's after adding $1.5M for the purchase of the Foam & Fabric building for Public Services and Recreation. Manager Harrold stated the fund balance has increased by **$200,000** and stated debt service has increased slightly due to the purchase of communications equipment for the Police Department but said **overall debt service will be reduced by $1M in FY20-21.**

Manager Harrold discussed the ***Capital Improvement Plan*** on page 109 of the Managers Recommended Budget. Manager Harrold 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 Harrold 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 Harrold discussed ***Legislative Changes*** stating the Local Government Retirement System **(LGERS)** is requiring a larger increase this year than the past years in order to sustain the retirement system. Manager Harrold stated this **increase amounts to 1.20% per year**.

Manger Harrold discussed ***Personnel*** stating he has recommended an additional full time police officer and a part time building inspector. Manager Harrold stated he has recommended a 2.5% COLA for all full time employees. Manager Harrold stated the recommended budget includes reinstatement of Board of Aldermen pay per their request.

Manger Harrold discussed the ***Department Requests and Manager Recommendations for Fiscal Year 2019-20*** (handout) which is made part of and included in these minutes. Manager Harrold stated he prepared this document to better inform the Board of what each department head requested and what has recommended.

Board members discussed Fire Department vehicle maintenance (oil changes and preventative maintenance on the pump). Mayor Collins stated the additional fire bay was built to accommodate this in the past and said he would rather see the $5,000 go toward additional turn out gear. Alderman Carolos Showers stated he feels it is wise to send the vehicles out for maintenance. Alderman Larry B. Harris stated Alderman Showers had a relevant point.

Board members discussed providing two sets of turnout gear for the full time Fire Department employees at a cost of $2,000 each. Manager Harrold stated the Fire Department requested replacement of 18 sets of gear in this budget which was recommended for funding. Deputy Fire Chief John Wilson discussed the necessity of the gear with the Board. Alderman Larry B. Harris stated 36 sets would be an adequate number of replacement for all full time firemen and said he

would propose an additional $18,000 to go ahead and fund this. Deputy Fire Chief John Wilson confirmed that part time firemen were not at such a high risk of repeated exposure as is the full time firemen as they usually go off shift after a call. Alderman Harris requested this change be brought back to the Board at the next budget meeting. Assistant Town Manager Luebbe reminded the Board that fire inspection fees could go toward funding this without further appropriating fund balance.

Alderman Harris inquired regarding the status of a Purchasing Card Policy and Manager Harrold stated a draft version is ready to present to the Board at their pleasure. Alderman Harris reminded the public that this policy was recommended by the auditors and follows best practices surrounding town issued financial cards.

Alderman Harris also inquired regarding the status of the revised Personnel Policy and Manager Harrold stated the final draft version is under review with the attorneys and can be presented at the Board's pleasure. The personnel policy was last updated in 2008.

The Board agreed to hold a Special Call Meeting after the regularly scheduled Agenda Meeting on Thursday, May 9, 2019 at 5:30 p.m. at Town Hall.

The Board agreed to hold the next Budget Workshop/CIP and Purchasing Card Policy Meeting on Monday, May 20, 2019 at 5:00 p.m. at Town Hall.

The following citizens requested to address the Board of Aldermen.

Elaine Loutzenheiser *of Black Mountain* addressed the Board of Aldermen expressing her displeasure of the public input process during the budget meetings. Ms. Loutzenheiser stated she would like to ask the Board consider utilizing sidewalk funding toward paving. Mayor Don Collins stated an additional $50,000 has been budgeted for street paving (total of $150,000).

Theresa Fuller *of Black Mountain* addressed the Board of Aldermen asking consideration of multi-purpose designs for tennis courts and recreational facilities stating she would like to see tax dollars maximized for everyone and not a select group of individuals. She also requested consideration for funding to fix the over flow drain at Lake Tomahawk.

There was no further discussion.

There being no further business, Mayor Don Collins adjourned the meeting at 10:17 a.m.

ATTEST:

Angela L. Reece, Town Clerk

Don Collins, Mayor

Josh Harrold Town Manager

FY 2019-2020 BUDGET OVERVIEW

TOWN SERVICES

The Town of Black Mountain stays committed to the continuation of all of its existing services for the upcoming fiscal year to include recreation and parks, finance, administration, planning and zoning, building inspections, public services, residential garbage and recycling, police, and fire. All services are proposed to continue at current service delivery levels for the upcoming fiscal year; however, the Town will assume service and maintenance associated with 300 new water customers that are being transferred from the City of Asheville.

GRANTS

As always, we continue to look for grants during the year to supplement our programs and services for every department. In FY 2019-20 we will continue implementation of the NCDOT STP-DA funding for Phase II of the Riverwalk Greenway, PARTF Grant for improvements at Veterans Park including streambank restoration, playground, outdoor pavilion and overflow parking, and NCDWR funding to continue streambank restoration at the Town's golf course. We are also applying for a Duke Energy grant to implement stream bank restoration along the Swannanoa River.

FIRE INSPECTIONS

The Fire Department has requested to begin charging fees for inspection services. Fire inspections are required by state law for businesses, dormitories, assembly uses and rental properties. The Fire Department has put together a fee schedule outlining when fees are charged and the amount. Other jurisdictions were consulted in the formation of this schedule and are similar in fee amounts.

FUND BALANCE

The total fund balance for the Town of Black Mountain General Fund is **estimated** to be $4,402,000 or 51% of projected General Fund expenditures at 06/30/19. This includes restricted fund balances, capital reserve fund and our unassigned fund balance. This estimate represents an increase in the total fund balance of $200,000 from FY18 audited figures.

Based on our most recent audit for the period ending June 30, 2018, ***unassigned*** fund balance was $2,812,979 or 30.5% of General Fund expenditures. This is a decrease from $2,826,373 or 35% of General Fund Expenditures, due almost entirely to the fact that FY17-18 expenditures were considerably higher than previous years because of the purchase of the building at 304 Black Mountain Avenue. The Town has a fund balance policy requiring a percentage of 30%.

DEBT

The Town is currently budgeted to expend $618,203 on debt service in FY19-20. This amount includes debt in the amount of $151,415 related to the Police Department communications upgrade approved by the Board at the July 2018 Board meeting. At 6/30/19, the Town will have outstanding debt of $4,099,047. As currently

budgeted, total Town debt will be $3,588,795 at 6/30/20. The proposed budget reduces total debt by $510,252 in FY19-20.

CAPITAL RESERVE FUNDS

It is estimated that the Capital Reserve Fund for the General Fund will have a balance of $295,000 at June 30, 2019. These reserves are committed for building renovations and vehicle replacement at the Fire Department. (the FY19-20 budget includes an additional $80,000 for vehicle replacement) The Water Capital Reserve Fund currently has a balance of $200,000 which is designated for automated water meter replacement.

Capital Project Funds, which differ slightly from Capital Reserve Funds, have been set up for the Swannanoa Watershed Restoration, Riverwalk Greenway, Tomahawk Stream, Veterans Park, and Commerce Park Infrastructure because the Town anticipates expending funds on these projects in FY 19-20 and future years.

LEGISLATIVE CHANGES

The Local Government Retirement System (LGERS) is requiring a larger increase this year than past years. A LGERS internal policy, established in 2016, projected the amount of increase needed to sustain the retirement system; however, the policy underestimated the needed contributions from local governments. In the past, the required increase has been 0.25 % per year. The required increase will now be 1.20% per year.

GENERAL FUND HIGHLIGHTS

The FY 19-20 recommended General Fund budget is $9,266,007, a 4.24% increase from the FY 18-19 budget.

PERSONNEL

One full time policer officer has been added in FY19-20 at a cost of $61,250.

The Governing Board has elected to reinstate their compensation, which was last paid in June of 2017 at a cost of $44,600.

One part time building inspectior has been budgeted in the planning department at a cost of $25,000.

A 2.5% COLA salary adjustment accounts for an increase of $100,000.

OPERATING

Police – $21,500 has been budgeted to replace nine of the eighteen tasers for the department. The remaining nine will be budgeted next fiscal year.

Fire - $18,000 has been budgeted for turnout gear. The Town's goal is that every full time firefighter should have two sets of turnout gear.

Sanitation – Collection costs have increased by $40,000 in FY19-20.

Recreation – Pool – Chemicals and assorted equipment replacement have increased expenses by $14,000.

CAPITAL

Public Buildings - $39,000 has been budgeted for IT needs, the continuation of the Downtown Streetscape project, and the second half of the new Town website.

Planning – The Planning Department capital budget includes matching funds for the Riverwalk Greenway ($80,000), and the Tomahawk Stream restoration project ($40,000). $65,000 has also been budgeted for Riverwalk contingency and the Comprehensive Plan update.

Fire - $75,000 has been budgeted for the purchase of a vehicle to replace Truck 4, and $80,000 has been budgeted to be transferred into the Capital Reserve Fund for the replacement of Engine 41.

Police - $51,000 has been budgeted for a vehicle.

Streets and Powell Bill – $349,500 has been budgeted in full, including $150,000 for paving, $54,500 for a new vehicle, $100,000 for the next section of the Highway 9 sidewalk, and $45,000 for sidewalk repair and street striping.

Recreation - $93,100 has been budgeted, which includes $60,000 for tennis courts, $15,000 for repairs to the Grey Eagle roof, and $18,100 for improvements to Lake Tomahawk senior center.

GENERAL FUND REVENUES

Ad Val/DMV Taxes - Budgeted at $4,199,000, a 5.77% increase from FY18-19. Ad Val and DMV taxes make up 45% of all General Fund revenues.

Sales tax – Budgeted $72,000 higher than FY18-19 levels, based on State projections. Buncombe County continues to be one of the strongest economic drivers in the State.

Franchise Taxes – Budgeted $8,500 lower than FY18-19 levels, based on State projections. As higher numbers move away from traditional telephone and television services, franchise taxes have declined in recent years.

Buildings Permits – Budgeted $50,000 less than FY18-19 figures. FY19 will be the first year since 2011, that Building Permit revenue has not shown an increase from the previous year.

Fund Balance Appropriated – Currently budgeted at $107,967. In the last five fiscal years, the Town has averaged appropriated fund balance of $207,000 in the adopted budget Fund balance appropriated typically is increased by approximately $150,000 during the fiscal year.

WATER FUND HIGHLIGHTS

The FY19-20 Water Fund is recommended at $1,689,122, a 1.76% decrease from FY 18-19.

PERSONNEL

A 2.5% COLA salary adjustment accounts for an increase of $12,200

The part time positions in the Customer Service Division have been eliminated and replaced with a full time position. This was an increase of $29,000 in the FY19-20 budget.

OPERATING

Total water operating expenses have increased by $46,000 mainly related to the Town having to contract for services for the Water Quality Operator position.

CAPITAL

Capital is budgeted at $322,000, a decrease of $81,500 from the FY18-19 budget. Major budgeted items include, AMR ($125,000), general waterline replacements ($100,000) and a tractor ($65,000.

WATER FUND REVENUES

The Town has budgeted a 4% rate adjustment for FY19-20. The Town will be formulating a detailed three year budget for the Water Fund which will better guide the Town on future funding needs as the Town takes over the 600 Asheville customers.

GOLF FUND HIGHLIGHTS

The FY19-20 Golf Fund is recommended at $615,100, a 2.95% increase from FY18-19

PERSONNEL

No personnel changes are anticipated for the Golf Course in FY19-20.

OPERATIONS

The total operating cost of the golf course is $3,000 higher than FY18-19 levels.

CAPITAL

There are no capital improvements budgeted for the golf course in FY 19-20.

GOLF FUND REVENUES

For the first time since 2014, there will be no rate increases at the Golf Course. This is in large part due to the condition of the course as the busy golf season arrives. The area has received significant rain recently and portions of the course are still showing the effects of the heavy rain.

FY19-20 Changes in Fees and Rates

Planning

Text amendment have increased from $100 to $200.

Rezoning applications have increased from $300 to $375.

Recreation

The Board approved changes to pool rates in FY18-19.

Deposits and rental contracts are now required to make reservations of Recreation facilities.

Water

Water rates have been increased by 4% from (in Town) $6.25 to 6.50 per 1,000 gallons and (out of Town) $10.18 to $10.59 per 1,000 gallons.

Impact fees have been eliminated, which reduces all tap fees by $700. The Town is currently under contract with McGill and Associates to perform a System Development Fee Analysis.

Proposed Fire Inspections Fee Schedule

Description	Charge/Fee		Current fee
Construction Permits	Black Mt.	Montreat	
Automatic Fire Extinguishing Systems	$100.00	$110.00	$ 50.00
Compressed gas installation	$100.00	$110.00	$ 50.00
Fire Alarm and Detection Systems and Related Equipment	$100.00	$110.00	$ 50.00
Fire Pumps and Related Equipment	$100.00	$110.00	$ 50.00
Flammable and Combustible Liquid Installations	$100.00	$110.00	$ 50.00
Hazardous Materials	$100.00	$110.00	$ 50.00
Industrial Ovens	$100.00	$110.00	$ 50.00
LP Gas	$100.00	$110.00	$ 50.00
Private Hydrant System	$100.00	$110.00	$ 50.00
Spraying and Dipping operations	$100.00	$110.00	$ 50.00
Standpipe Systems	$100.00	$110.00	$ 50.00
Temporary membrane structures, tents, canopies and air supported Structures	$ 50.00	$ 55.00	$ 50.00
Special events as defined in current ToBM Ordinances	$100.00	$110.00	$ 50.00
Construction Plans Review			
ABC Inspections	$100.00	$110.00	$ 0
Commercial Kitchen Hood Suppression Systems	$100.00	$110.00	$ 0
Explosives and Fireworks	$100.00	$110.00	$ 0
Petroleum tanks and appurtenances	$100.00	$110.00	$ 0
Sprinkler systems and fire alarm systems as follows			
Minimum up to 1000 square feet	$ 50.00	$ 55.00	$ 0
1001 – 5000 square feet	$100.00	$110.00	$ 0
5001 – 10000 square feet	$150.00	$165.00	$ 0
10001 – 25000 square feet	$200.00	$220.00	$ 0
25001 – 50000 square feet	$250.00	$275.00	$ 0
50001 – 100000 square feet	$300.00	$330.00	$ 0
100001 – 200000 square feet	$350.00	$385.00	$ 0
Over 200000 square feet	$400.00	$440.00	$ 0

Annual Fire Inspections	Charge/Fee		Current fee
All occupancies except R-2 and rentals	Black Mt.	Montreat	
Minimum up to 1000 square feet	$ 50.00	$ 55.00	$ 0
1001 – 5000 square feet	$100.00	$110.00	$ 0
5001 – 10000 square feet	$150.00	$165.00	$ 0
10001 – 25000 square feet	$200.00	$220.00	$ 0
25001 – 50000 square feet	$250.00	$275.00	$ 0
50001 – 100000 square feet	$300.00	$330.00	$ 0
100001 – 200000 square feet	$350.00	$385.00	$ 0
Over 200000 square feet	$400.00	$440.00	$ 0

Proposed Fire Inspections Fee Schedule

Description	Charge/Fee		Current fee
Violations	Black Mt.	Montreat	
Illegal Burning	$100.00	$100.00	$ 0
Work without permit	$250.00	$250.00	$ 0
Fire Lane	$100.00	$100.00	$ 5.00 (PD only)
Fire Hydrant	$100.00	$100.00	$ 5.00 (PD Only)
General violation Re-inspection	$ 50.00	$ 50.00	$ 0
Repeated False Fire Alarms (3 within a 72 hr window subject to review by the Fire Inspector)	$150.00	$150.00	$ 0

Residential and Rental Inspections	Black Mt.	Montreat	
Carbon Monoxide Detector Inspections	$ 25.00	$ 28.00	$ 0
Solid Fuel Inspections	$ 25.00	$ 28.00	$ 0
Foster Care	$ 25.00	$ 28.00	$ 0
Home Fire Safety	exempt		
R-2 occupancies as follows			
1-20 units	$ 50.00	$ 55.00	$ 0
21-50 units	$100.00	$110.00	$ 0
51-100 units	$150.00	$165.00	$ 0
101-150 units	$200.00	$220.00	$ 0
151-200 units	$250.00	$275.00	$ 0
201-250 units	$300.00	$330.00	$ 0
251-300 units	$350.00	$385.00	$ 0
Over 300 units	$400.00	$440.00	$ 0

DEPARTMENT REQUESTS AND MANAGER RECOMMENDATIONS
FISCAL YEAR 2019-2020

GENERAL FUND

PERSONNEL		Dept Requested	Manager Recommended	Diff
(4) Officers	Police	245,000	61,250	183,750
(1) Part time building inspector	Planning	25,000	25,000	-
(1) Training Captain	Fire	76,000		76,000
(1) Public services tech	Streets	48,000		48,000
Gov Board	Gov Board	44,300	44,300	-
Pool PT hours	Recreation	15,000	10,000	5,000
2.5% COLA		100,000	100,000	-
TOTAL PERSONNEL		**553,300**	**240,550**	**312,750**
OPERATING				
LEO Supplies (18 Tasers)	Police	43,000	21,500	21,500
Uniforms (turnout gear, 18 sets)	Fire	36,000	18,000	18,000
TOTAL OPERATING		**79,000**	**39,500**	**39,500**
CAPITAL				
Repl of Town Van	Admin	30,000	-	30,000
Website	Public Buildir	14,000	14,000	-
Downtown Streetscapes	Public Buildir	20,000	10,000	10,000
IT needs	Public Buildir	15,000	15,000	-
Riverwalk Greenway - Town match	Planning	80,000	80,000	-
Tomahawk Stream stabilization - Town mat	Planning	50,000	40,000	10,000
Swannanoa River Improv at Vet Park	Planning	50,000	-	50,000
Riverwalk Contingency	Planning	60,000	20,000	40,000
Vehicle replacement	Planning	30,000	-	30,000
Comprehensive plan update	Planning	45,000	45,000	-
3 patrol vehicle replacement	Police	153,000	51,000	102,000
Living quarters	Fire	100,000	-	100,000
Truck 4	Fire	75,000	75,000	-
Brush truck	Fire	125,000	-	125,000
Engine 41 -Capital Reserve	Fire	80,000	80,000	-
New Vehicle for Chief	Fire	50,000	-	50,000
				-
Dump Truck	Streets	90,000	-	90,000
Paving	Streets	300,000	150,000	150,000
Ram 250 Crew Cab with plow	Streets	54,500	54,500	-
Street Striping	Streets	25,000	25,000	-
Hwy 9 Sidewalk	Powell Bill	100,000	100,000	-
General sidewalk repair	Powell Bill	20,000	20,000	-
				-
Carver Center	Recreation	30,000	-	30,000
Tennis courts	Recreation	60,000	60,000	-
Lake Tomahawk	Recreation	18,100	18,100	-
Vehicles	Recreation	30,000		30,000
Grey Eagle Roof	Recreation	15,000	15,000	-
TOTAL CAPITAL		**1,719,600**	**872,600**	**847,000**
TOTAL PERSONNEL OPERATING AND CAPITAL		**2,351,900**	**1,152,650**	**1,199,250**