



TOWN OF BLACK MOUNTAIN

Town Hall, 160 Midland Avenue, Black Mountain, NC 28711

Date: June 10, 2019 Time: 6:00 p.m. Regular Session Minutes

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 **Conserve resources; print only when necessary.**

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*Should you need other assistance or accommodation for this meeting, please contact
Town Clerk Angela Reece at 419-9310, or by email at townclerk@townofblackmountain.org
(828) 419-9300 / TDD (800) 735-2962*

1. CALL TO ORDER

Mayor Don Collins called the meeting to order at 6:00 p.m. with the following members present:

Mayor Don Collins
Vice Mayor Maggie Tuttle
Alderman Larry B. Harris
Alderman Ryan Stone - absent
Alderman Carlos Showers
Alderman Tim Raines

The following staff members were present:

Josh Harrold, Town Manager
Dean Luebbe, Assistant Town Manager/Finance Director
Angela Reece, Town Clerk
Ron Sneed, Town Attorney
Shawn Freeman, Police Chief
Scottie Harris, Fire Chief

Mayor Don Collins welcomed everyone and led the Pledge of Allegiance. Minister Jack Taylor of Mountain View Church, Black Mountain gave the invocation.

Mayor Collins thanked everyone in attendance and expressed appreciation to all those who were attending for the first time and also the viewing audience. The re-broadcast of each regular meeting is shown throughout the month on Charter Cable's Buncombe County Channel 192 at 8:00 p.m. on Sundays. Meetings initially air the same week in which they occur and are shown weekly until the next regularly scheduled meeting. Citizens may also go to the Town website www.townofblackmountain.org at any time and view the most recent regular meeting of the Board.

Mayor Collins stated he received a letter from the NC Department of Natural and Cultural Resources announcing the approval of a historical marker honoring Rafael Guastavino 1842-1908 (Builder who developed tile construction method widely used in vaults and domes.

Designed vaulted ceilings at Biltmore House in 1894. Lived 1 mile SE). The marker will be erected on Hwy 9 near the SW side of the interchange with I-40. Mayor Collins stated the Swannanoa Valley Museum is planning a dedication, tentatively set for December 7, 2019 and said a webpage about the markers will be mounted soon at www.ncmarkers.com.

2. PROCLAMATION AND AWARD RECOGNITION

A. Proclamation Honoring Bob McMurray

Alderman Carlos Showers presented the proclamation honoring retiring Chamber of Commerce Director, Bob McMurray for his years of service to the Town and Swannanoa Valley. The Board of Aldermen extend their thanks and appreciation to Director McMurray and bid him well wishes in his retirement.

3. CITIZEN COMMENTS

*Individuals wishing to address the Board are asked to sign in at the entrance to the board room, indicating the topic(s) or agenda item(s) you wish to discuss, so that the chair may group speakers according to topic. The chair will recognize individuals requesting to address the Board. **Comments by any one speaker shall be limited to three (3) minutes.** If the topic you wish to discuss pertains to a **public hearing** scheduled for this meeting, please reserve your comment for the applicable public hearing.*

Sheridan Hill of Black Mountain Tennis Association addressed the Board of Aldermen as a member of the Urban Forestry Commission stating the Commission has been participating with local entities to develop an urban forestry management plan.

Marilyn Sobanski of Black Mountain addressed the Board of Aldermen regarding decisions to protect natural resources for future generations.

Mary Standeart of Montreat addressed the Board of Aldermen regarding even year elections. Ms. Standeart stated she feels citizens of Montreat and Black Mountain are being disenfranchised by the passage of the even year elections.

4. COMMUNICATIONS FROM BOARDS, COMMISSIONS & AGENCIES

A. System Development Fee Study-McGill Associates, P.A.- Dale Schepers, Senior Consultant

Dale Schepers presented the System Development Fee Study to the Board of Aldermen. This study is made part of and included in these minutes and may be viewed and downloaded in its entirety at www.townofblackmountain.org. Mr. Shepers recalled The North Carolina General Assembly passed **House Bill 436** in July 2017, amending Chapter 162A of the General Statutes by adding “Article 8, System Development Fees.” This amendment was enacted as “An Act to Provide for Uniform Authority to Implement System Development Fees for Public Water and Sewer Systems in North Carolina and to clarify the Applicable Statute of Limitations” which requires compliance with designated calculation methodology.

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Through House Bill 436 (HB 436), the General Assembly of North Carolina established a uniform approach and associated methodology required for local governmental units to calculate and implement System Development Fees (SDF) for public water and sewer systems.

System Development Fees are defined as a charge imposed on each new customer or development that generally offsets the incremental cost of replacing existing and/or constructing new capital assets to provide capacity that will continue to meet the demands placed on the system by each new customer or development. Since water system capacity must, without exception, exceed customer demands, the major infrastructure components providing this capacity, such as water treatment plants, reservoirs, wells, pump stations, etc., must be planned and constructed well in advance and in large enough increments to keep pace with anticipated demand on the available system capacity.

Public comments regarding system development fees are encouraged and may be submitted via email to comments-sffs@townofblackmountain.org. There will also be a comment period during the public hearing on Monday, July 8, 2019 at 6:00 p.m. at 160 Midland Ave. Black Mountain on this matter.

B. Capital Projects Fund Update – Dean Luebbe, Assistant Town Manager/Finance Director

Dean Luebbe presented the Capital Projects Fund Update to the Board of Aldermen which is made part of and included in these minutes. Mr. Luebbe reminded the public that a capital project fund accounts for expenditures spanning over multiple budget years. Mr. Luebbe stated the Town has five active capital projects including watershed restoration, River Walk greenway phase II, Tomahawk Stream Stabilization, Veterans Park, and Commerce Park. Mr. Luebbe discussed the projects with the Board. Mr. Luebbe stated the River Walk Greenway project is valued over \$5M and said the Town will have contributed approximately \$1M which include contributions from the County at its conclusion.

5. CONSENT AGENDA

All items on the consent agenda are considered routine, to be enacted by one motion without discussion. If a member of the governing body requests discussion of an item, the item will be removed from the consent agenda and considered separately.

Town Manager, Josh Harrold presented the consent agenda to the Board of Aldermen.

A. Adoption of Minutes

Motion: *To adopt the minutes of May 9, 2019 (Agenda Session), May 13, 2019 (Regular Session), May 9, 2019 (Special Call), May 20, 2019 (Budget Workshop)*

B. Budget Amendment for Fund Transfer to FY20

#FY2019-20

Motion: *To approve Budget Amendment #FY2019-20 as submitted, increasing the expense accounts, 3091-8100-542 (Transfer to Water Capital Reserve Fund) by \$125,000, and to decrease the expense account 3091-8100-730 (Capital Outlay) by \$125,000, and increasing the expense account 1010-5300-580 (Transfer to*

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General Capital Reserve Fund) by \$100,000 and to decrease the expense account 1010-5300-730 (Capital Outlay) by \$100,000.

Manager Harrold stated this amendment is necessary to reflect a transfer to Fiscal Year 20 budget for the capital reserve fund to purchase automatic water meters. He stated the total fund will include current budgeted funds in the amount of \$450,000 to purchase automatic water meters. Manager Harrold stated the same action is necessary to reflect a transfer for capital outlay for the Fire Department which includes \$395,000 toward the purchase of a fire truck and \$120,000 for renovations at their department of the restrooms and kitchen area.

Vice Mayor Maggie Tuttle moved to approve consent items A-B as presented.

The motion was approved by a vote of 4-0.

6. CITIZEN COMMENTS

The chair will recognize individuals requesting to address the Board regarding the specific New Business or Unfinished Business items below. Comments by any one speaker shall be limited to three (3) minutes.

If the topic you wish to discuss pertains to a public hearing scheduled for this meeting, please reserve your comment for the applicable public hearing.

There were no citizen comments.

7. UNFINISHED BUSINESS

A. Montessori Lease Amendment

Manager Harrold stated the current lease is a five year lease with two years remaining and said this amendment is to allow the use of additional space with no additional fees. Alderman Larry B. Harris reminded everyone there is an escape clause in the lease which allows the Town to retake the property with one year notice in the event it is needed.

Alderman Larry B. Harris moved to approve the Montessori School Lease amendment as presented. The motion was approved by a vote of 4-0.

B. Art in the Afternoon Lease

Manager Harrold stated this program is also located in the Carver Center and is utilizing approximately 2,577 feet of space known as the “annex” portion of the building. Manager Harrold stated the lease amount is \$1,000 per month beginning June 1, 2019. Manager Harrold stated the Town Attorney drafted the lease and the term is for two months and can be revisited in August 2019.

Vice Mayor Maggie Tuttle move to approve the Art in the Afternoon Lease as presented. The motion was approved by a vote of 4-0.

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C. Resolution Authorizing the Town of Black Mountain to Engage in Electronic Payments
as Defined by NC G.S. 159-28 or NC G.S. 115C-441 **#R-19-10**

Manager Harrold stated this resolution authorizes the Town to engage in electronic payments and sets forth provisions to implement a policy. Alderman Larry B. Harris reminded the public this item and the following policy is a recommendation from the auditors and will provide guidelines for staff when procuring items.

Alderman Larry B. Harris moved to approve Resolution #R-19-10 authorizing the Town of Black Mountain to engage in electronic payments as defined by NC G.S. 159-28 or NC G.S. 115C-441 as presented. The motion was approved by a vote of 4-0.

D. Town of Black Mountain Procurement Policy

Manager Harrold stated this policy sets forth guidelines for purchasing card usage and procurement of goods and services. Manager Harrold stated the policy also sets forth guidelines and dollar thresholds for contracts to be brought before the Board of Aldermen for approval. Manager Harrold stated if a contract is budgeted then the policy will allow the Manager to execute the contract as long as the Town Attorney has also reviewed it. Manager Harrold reminded the Board they may not see every single contract as long as it has been budgeted for and previously discussed with the Board. Manager Harrold stated there is a more in depth travel policy included within the manual as well.

Alderman Carlos Showers moved to approve the Town of Black Mountain Procurement Policy as presented. The motion was approved by a vote of 4-0.

E. Hemphill Property Resolution **#R-19-11**

Manager Harrold stated this resolution includes language as requested by the Board of Aldermen with regards to a greenway easement through the Begley property in exchange for not accepting a small portion of the Hemphill property as discussed at the agenda meeting. Alderman Larry B. Harris stated this resolution allows the promotion and development of the Hemphill property as a public park through attaining a future greenway easement and secondary access. Mayor Collins stated this brings the Town one step closer to obtaining a very large green space for a park.

Alderman Larry B. Harris moved to approve Resolution #R-19-11 as presented. The motion was approved by a vote of 4-0.

F. Mayor & Board of Aldermen Compensation Ordinance **#O-19-14**

Manager Harrold stated staff has discussed this with the Town Attorney and attorneys at the UNC School of Government. Manager Harrold stated NC General Statute 160A-3 and 160A-64 allows the Town to amend the compensation ordinance superseding the Town Charter

provisions. The proposed ordinance restores compensation at the same rate as budgeted in the year 2017.

Vice Mayor Maggie Tuttle moved to approve Ordinance #O-19-14 to reinstate compensation for the Board of Aldermen and Mayor as previously existed prior to the passage of O-17-11. The motion was approved by a vote of 4-0.

8. NEW BUSINESS

- A. Offer received to purchase Town owned property located at 2992 U.S. Hwy 70, Black Mountain NC (Former Public Works Building)

Manager Harrold stated the town has received an offer to purchase Town owned property located at 2992 U.S. Hwy 70, Black Mountain NC (Former Public Works Building) and recalled discussion among Board members at the agenda meeting regarding their preference to entertain the offer pursuant to NC G.S. 160A-265. Article 12, Sale and Disposition of Property. The Board of Aldermen directed to pursue an appraisal of the property and return this information for discussion at a regularly scheduled meeting.

Alderman Carlos Showers stated the Board has received an email regarding the property being used as a community center and said his concern is the parking and proximity to the highway and said he feels it is not a secure area for youth to be in.

- B. Appointment to fill vacancies on Town Boards and Commissions

1. ABC Board – (1) vacancy/3-yr term ending June 30, 2022

Alderman Carlos Showers moved to appoint Roger Hibbard to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Larry B. Harris moved to appoint Roger Hibbard as Chair of the ABC Board pursuant to NC G.S. 18B-700(a) . The motion was approved by a vote of 4-0.

2. Greenways Commission – (2) vacancies/ 3-yr terms ending June 30, 2022
AND (2) unexpired term ending June 30, 2020

Vice Mayor Maggie Tuttle moved to appoint Ann Lutz to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Carlos Showers moved to appoint Elizabeth Williams to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

***There will be two unexpired term vacancies left open pending new applications.**

3. **Historic Preservation Commission** – (2) vacancy/ 3-yr terms ending June 30, 2022
AND (1) unexpired term ending June 30, 2020

Alderman Carlos Showers moved to appoint Susan Leive to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Vice Mayor Maggie Tuttle moved to appoint Amanda Vollrath to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

***There will be 1 unexpired term vacancy left open pending new applications.**

4. **Planning Board** – (3) vacancy/ 3-yr term ending June 30, 2022

Alderman Tim Raines moved to appoint Chris Collins to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Vice Mayor Maggie Tuttle moved to appoint Lauronda Teeple to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

***There will be one full term vacancy left open pending new applications.**

5. **Recreation Commission** – (3) vacancies/ 3-yr terms ending June 30, 2022

AND (1) unexpired term ending June 30, 2021

Vice Mayor Maggie Tuttle moved to appoint Lee Reading to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Carlos Showers moved to appoint Michael Nerder to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Tim Raines moved to appoint Steven Giles to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Larry B. Harris moved to appoint Marcus Durate to fill to fill an unexpired term ending June 30, 2021. The motion was approved by a vote of 4-0.

6. Urban Forestry Commission– (1) vacancies/ 3-yr term ending June 30, 2022

AND (1) unexpired term ending June 30, 2020

AND (1) unexpired term ending June 30, 2021

Mayor Collins advised the Board of Aldermen of one Candidate, Emily Sampson, becoming a possible part-time employee in July and reminded the Board that the personnel policy prohibits employees from serving on advisory boards and commissions. Alderman Larry B. Harris directed staff to inform Ms. Sampson of this requirement upon her employment with the Town and to ask for a resignation.

Alderman Larry B. Harris moved to appoint Emily Sampson to fill an unexpired term ending June 30, 2020. The motion was approved by a vote of 4-0.

Alderman Carlos Showers moved to appoint Rhea Bockhorst to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Carlos Showers moved to appoint Scott Abila to fill an unexpired term ending June 30, 2021. The motion was approved by a vote of 4-0.

7. **Zoning Board of Adjustment** – (3) vacancies/ 3-yr term ending June 30, 2022
AND **3rd Alternate term**

Alderman Larry B. Harris moved to appoint Robert Osmundsen to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Larry B. Harris moved to appoint John DeWitt to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Alderman Larry B. Harris moved to appoint Ted Mattson to fill a 3 year term ending June 30, 2022. The motion was approved by a vote of 4-0.

Per policy, current alternates shall move forward as follows:

1st Alternate **Janet McKimpson**

2nd Alternate **Charlotte McRaine**

***There will be a 3rd Alternate vacancy left open pending new applications.**

9. PUBLIC HEARING

The chair will recognize individuals requesting to address the Board regarding the specific topic of the public hearing. Public hearing comments by any on speaker shall be limited to ten (10) minutes. The Mayor reserves the right to alter time limits and other rules of procedure at the beginning of each Public Hearing.

A. Public Hearing to Close an Unopened, Platted Street known as Campbell Street #R-19-12

*Alderman Larry B. Harris moved to open the public hearing for Resolution #R-19-12 to Close Unopened, Platted Street known as Campbell Street.
The motion was approved by a vote of 4-0.*

Planning Director Jessica Trotman stated residents petitioned and were successful in closing the opposite end of this street in 1986 and said residents are petitioning again to close another portion. Director Trotman stated there are no planned utilities located there and said this portion is approximately 120 feet long and is wooded.

There were no citizen comments.

*Vice Mayor Maggie Tuttle moved to close the public hearing.
The motion was approved by a vote of 4-0*

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Alderman Larry B. Harris moved to approve Resolution #R-19-12 for the street closure for Campbell Street.

The motion was approved by a vote of 4-0

B. Public Hearing to Close an Unopened, Platted Street known as Campbell Street #R-19-13

Alderman Larry B. Harris moved to open the public hearing.

The motion was approved by a vote of 4-0.

Planning Director Jessica Trotman stated the Planning Board has petitioned for the middle of this section of street to be closed. Alderman Larry B. Harris reminded the public that the Board of Aldermen generally follow the Planning Board's request with street closures.

There were no citizen comments.

Vice Mayor Maggie Tuttle moved to close the public hearing.

The motion was approved by a vote of 4-0

Alderman Larry B. Harris moved to approve Resolution #R-19-13 for the street closure for Campbell Street.

The motion was approved by a vote of 4-0

C. Public Hearing for Building Permit Ordinance Text Amendments

#O-19-11

Planning Director Jessica Trotman stated this amendment brings all requirements for the building permit into ordinance and noted one requirement is the ability to obtain approval from MSD to tie into the sewer system. Director Trotman stated language has been added requiring the Town's building permits to also be in compliance with NC laws.

Alderman Larry B. Harris moved to open the public hearing.

The motion was approved by a vote of 4-0.

There were no citizen comments.

Alderman Tim Raines moved to close the public hearing.

The motion was approved by a vote of 4-0

Vice Mayor Maggie Tuttle moved to approve Ordinance #O-19-11, Building Permit Ordinance Text Amendments as presented.

The motion was approved by a vote of 4-0

D. Public Hearing for FY19-20 Budget

#O-19-10

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Manager Harrold presented the final recommended FY19-20 Budget to the Board of Aldermen. The budget message and ordinance are made part of and attached to these minutes. The FY2019-20 Budget may be viewed and downloaded in its entirety by visiting the Town's website at www.townofblackmountain.org. Manager Harrold stated services will remain the same and said overall debt has been reduced by \$510,252 and stated the tax will remain the same at .33. Alderman Larry B. Harris also reminded the public employees were given a 2.5% cost of living allowance. Mayor Collins stated the Town is spending half a million dollars in recreation in this budget and stated this was higher than any other municipality in the area our size and commended staff for their efforts to make all the programs possible.

*Alderman Larry B. Harris moved to open the public hearing.
The motion was approved by a vote of 4-0.*

Roberta Madden of Black Mountain addressed the Board of Aldermen stating her one concern is funding for the 2019 election.

*Alderman Larry B. Harris moved to close the public hearing.
The motion was approved by a vote of 4-0*

Alderman Carlos Showers moved to approve Ordinance #O-19-10 FY19-20 Budget as presented. The motion was approved by a vote of 4-0

Alderman Carlos Showers reminded the public a budget amendment may be done to cover the cost of an election if necessary for 2019.

10. COMMUNICATION FROM STAFF

- A. Josh Harrold - Manager Harrold reminded citizens the Town of Black Mountain offices will be closed on July 4, 2019 and stated the regular meeting will take place on July 8, 2019 with the agenda meeting. Manager Harrold also announced he has promoted Town Clerk, Angela Reece as Assistant to the Manager. Ms. Reece will continue to retain the duties as Town Clerk as well.

11. COMMUNICATION FROM MAYOR AND BOARD OF ALDERMEN

Alderman Larry B. Harris thanked local news reporter, Fred McCormick for his work on an article on the Black Mountain Endowment which has reached over \$1M. Alderman Harris stated the article was well written and said the local paper is both a benefit and a blessing.

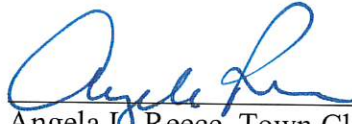
Alderman Carlos Showers invited the public to attend the retirement celebration for Bob McMurray on June 26, 2019 at 5:00 p.m. at the new Hampton Inn.

12. ADJOURNMENT

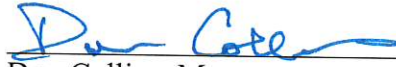
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There being no further business, on a motion made by Alderman Carlos Showers and with a vote of 4-0, Mayor Don Collins adjourned the meeting at 7:22 p.m.

ATTEST:



Angela L. Reece, Town Clerk



Don Collins, Mayor

**COST- JUSTIFIED WATER SYSTEM
DEVELOPMENT FEES REPORT**

TOWN OF BLACK MOUNTAIN

BUNCOMBE COUNTY, NC

**James Bourey, Director of Consulting Services
Dale R. Schepers, Senior Consultant**



*55 Broad Street
Asheville, NC 28801
828-412-4608*

Firm License No.: C-0459

**MAY, 2019
PROJECT NO. 19.02518**

EXECUTIVE SUMMARY and PURPOSE STATEMENT

Executive Summary:

The North Carolina General Assembly passed House Bill 436 in July 2017, amending Chapter 162A of the General Statutes by adding "Article 8, System Development Fees." This amendment was enacted as "An Act to Provide for Uniform Authority to Implement System Development Fees for Public Water and Sewer Systems in North Carolina and to Clarify the Applicable Statute of Limitations" which requires compliance with designated calculation methodology.

In response to the House Bill 436, the Town of Black Mountain has retained McGill Associates to complete a system development fee analysis. Based on the Town of Black Mountain's combination of existing system capacity and planned capital improvements to expand capacity, the development fee, in accordance with HB 436 rules for an Equivalent Residential Unit (ERU) for water, was calculated to be \$5,912. ERU is defined as the water (and sewer) capacities required to serve the most typical user type, which is a three-bedroom single-family dwelling.

The fee for other types of development can be calculated by applying the calculated cost of capacity per gallon of flow per day to the water demands for various uses as defined by NC Administrative Code 15A NCAC 18C .0409 and 15A NCAC 02T .0114 using the following table:

Table 0.0.1 – System Development Fee Calculation: Cost per Gallon per Day (\$/GPD)

Black Mountain System Development Fees: Cost per Gallon per Day Calculation		
Item	Cost-Justified System Development Fee Calculation	Cost of Capacity \$/ GPD
1	Water System	\$ 14.78

System Development Fees are defined as a charge imposed on each new customer or development that generally offsets the incremental cost of replacing existing and/or constructing new capital assets to provide capacity that will continue to meet the demands placed on the system by each new customer or development. Since water system capacity must, without exception, exceed customer demands, the major infrastructure components providing this capacity, such as water treatment plants, reservoirs, wells, pump stations, etc., must be planned and constructed well in advance and in large enough increments to keep pace with anticipated demand on the available system capacity.

AWWA methodology cites legal consideration for determining SDF. A Rational Nexus, or reasonable relationship, must be established between the fee charged and the cost associated with providing capacity to new customers. The Rational Nexus Test consists of three elements: 1) a review of available planning documents to verify general alignment between capacity demands driven by projected development patterns and planned capital improvements that will be needed to create the required capacity; 2) a determination of the proportionate share of costs to be borne by new development through appropriate methodology and calculation and 3) establishing a reasonable apportionment of the cost to new development in relation to the benefits the new development will reasonably receive through appropriate methodology and calculations.

The first element of the Rational Nexus Test was determined to be favorable based on a review of the Town's 2014 Comprehensive Plan Update, existing water system available capacity, and capital improvements plan. The Comprehensive Plan anticipates a population of 10,500 by 2030. This translates into a system capacity requirement of approximately 0.973 MGD. Existing capacity is 0.788 MGD, requiring the addition of 0.186 MGD. Black Mountain has amended its water purchase agreement with the City of Asheville to secure 0.200 MGD by 2021, satisfying the projected 2030 water capacity requirement. The capital plan includes water line replacements to support delivery of the additional capacity and therefore demonstrates a rational nexus between the Comprehensive Plan's projection of capacity needs and planned water supply expansion and capital improvements to meet the demand projection.

The remaining elements of the Rational Nexus Test are 2) determining proportionate share of costs to be borne by new development and 3) establishing a reasonable cost to new development in relation to the benefits received by the new development will be determined through appropriate methodology and calculations in the following sections.

3.0

CALCULATION of SYSTEM DEVELOPMENT FEES

The *Combined Method* is the appropriate approach to calculating Black Mountain's system development fees. Existing system capacity and current construction is available to provide service to new customers in the near term. Future capacity-related projects are represented in the Capital Improvements Plan which require incremental cost calculations. Therefore, calculating SDF will require the combined method.

3.1 Existing System Capacity Availability

Water system design capacities are determined using average day demands and incorporate appropriate peaking factors that will adequately address maximum flow conditions that occur during high water use conditions. Black Mountain's total capacity of 0.0788 MGD is a combination of groundwater wells and water purchased from the City of Asheville. Combined demand is 0.661 MGD, which is 84% of capacity. The Town has secured an additional 0.100 MGD beginning June 1, 2020 through its purchase agreement with Asheville that will increase the overall capacity to 0.888 MGD. The water system's current available capacity is as follows:

Table 3.1.1 – Black Mountain Water System Available Capacity

Black Mountain Water and Sewer System Available Capacity				
Item	System Capacity - Million Gallons Per Day (MGD)	Design Capacity	Average Day	Available Capacity
1	Water System - Well Production	0.588	0.502	0.086
2	Water System - Water Purchase Agreement	0.200	0.163	0.037
Current Water Purchase Agreement provides for Capacity beyond 0.200 MGD if needed.				

3.2 Buy-In Calculation

After demonstrating that capacity is available, the value per gallon is calculated to determine the cost per gallon that will be applied to reimburse existing customers for constructing and maintaining available capacity in advance.

The preferred AWWA valuation approach is "replacement cost new less depreciation" (RCNLD). This approach is based on the premise that System Development Fees reflect the value of providing any given amount of new capacity at the cost of constructing the assets at the time the new customer is connected. This fairly compensates existing customers for carrying the costs of constructing and maintaining capacity built into the system in advance of when the new customers connect.

3.4 Incremental Cost Calculation - Value of future capacity to be available to new customers through capital construction projects considered in the Town's Capital Improvements Plan (CIP) or similar master planning document.

Assigning value to future capacity-related assets requires a determination of cost in present-day dollars and a clearly defined capacity that the assets will provide. Engineers typically assign project costs and capacity needs developed through a conceptual design process, and adjust costs to the scheduled year of construction in the CIP. Present-day value can therefore be obtained using the same assumptions for inflation and then applied to the incremental cost calculation.

Tables 3.4.1, 3.4.2 – Cost per GPD for Incremental (Future) Capacity Related Assets

3.4.1

Black Mountain Water System Capacity-Related Component Incremental Valuation				
CIP Item	System Asset Description	Cost	Remaining Asset Value	SDF Component Valuation
Water System Assets				
WI 1	Montreat Road Water Line Replacement	\$ 1,000,000	\$ 78,823	\$ 921,177
Valuation Adjustments and Calculation of Cost-Justified Fee				
	Less Revenue Credit: 25% project cost per HB436			\$ (230,294)
	Less Value of Existing Asset Capacity			\$ (372,014)
	Equals: Value of Incremental Capacity			\$ 318,869
	Divided by: Incremental Capacity (MGD)			0.60
	Equals: Unit Valuation of Capacity (\$/MGD)			\$ 531,448
	Divided by: 1,000,000 gallons (\$/GPD)			\$ 0.53

3.4.2

Black Mountain Water System Development Fee Incremental Valuation				
CIP Item	System Asset Description	Cost	Remaining Asset Value	SDF Component Valuation
Sewer System Assets				
WI 2	NC 9 Water Line Replacement	\$ 750,000	\$ 58,956	\$ 691,044
Valuation Adjustments and Calculation of Cost-Justified Fee				
	Less Revenue Credit: 25% project cost per HB436			\$ (172,761)
	Less Value of Existing Asset Capacity			\$ (336,884)
	Equals: Value of Incremental Capacity			\$ 181,399
	Divided by: Incremental Capacity (MGD)			0.70
	Equals: Unit Valuation of Capacity (\$/MGD)			\$ 259,141
	Divided by: 1,000,000 gallons (\$/GPD)			\$ 0.26

4.0**SERVICE UNIT CALCULATIONS: EQUIVALENT RESIDENTIAL UNITS**

HB 436 requires SDF calculations to be applied to various categories of customer demands based on service units or Equivalent Residential Unit (ERU). ERU is defined as the water and sewer capacities required to serve the most typical user type, which is a three-bedroom single-family dwelling. North Carolina Division of Water Resources (DWR) design standards for constructing water and sewer systems, NC Administrative Code 15A NCAC 18C .0409 and 15A NCAC 02T .0114 respectively, establish daily flow requirements based this type of service connection. ERU can therefore be defined as 400 gallons per day for water and 360 gallons per day for sewer.

Table 4.0.1 – Cost-Justified System Development Fees: Equivalent Residential Unit, Water

Black Mountain System Development Fees: Equivalent Residential Unit Calculation				
Item	Cost-Justified System Development Fee Calculation	Capacity \$/ GPD	Demand GPD	Cost per Unit Capacity
1	Water System	\$ 14.78	400	\$ 5,912
	Total ERU			\$ 5,912

McGill Associates has calculated costs for water system capacity on a per gallon per day basis for the Town of Black Mountain. This calculation was performed using the Combined Method to account for the Town's combination of existing capacity, current improvements under construction and future capacity-related projects. This calculation resulted in a development fee ceiling of \$5,912 for an Equivalent Residential Unit (ERU). ERU is defined as the water and sewer capacities required to serve the most typical user type, which is a three-bedroom single-family dwelling. The fee for other types of development can be calculated by applying the calculated the cost of capacity per gallon of flow per day to the water demands for various uses as defined by NC Administrative Code 15A NCAC 18C .0409 and 15A NCAC 02T .0114.

Using NC Administrative Code 15A NCAC 18C .0409 and 15A NCAC 02T .0114 ensures that the same standard used to plan, design, construct and finance capital assets is applied as the same cost recovery basis to be applied to new development.

Appendix

House Bill 436

NC Administrative Code 15A NCAC 18C .0409

NC Administrative Code 15A NCAC 02T .0114

Revenue Credit: Outstanding Debt Principal

2014 Comprehensive Plan Update: Population Projection Section

Black Mountain Capital Improvements Program and Summary Table

RS Means Historical Cost Index

Fund 6400 - Riverwalk Greenway CPF

Expenditure		Budget		Actual
Prof Serv		950,000		223,024
Capital		1,208,750		-
Total		2,158,750		223,024

Revenue				
NCDOT -STP grant		1,727,000		161,090
Transfer from General Fund		298,750		270,000
Contribution from Buncombe County		133,000		133,000
Total		2,158,750		564,090

Fund Balance at 5/31/19 341,066

Reimbursed at 80% thru NCDOT.

Total budget will ultimately be in the \$5,000,000 range.

\$400,000 of the Town match has been pledged from Buncombe County.
(\$133,000 received in April of 2019.)

Fund 6600 - Veterans Park Improvements CPF

Expenditure		Budget		Actual
Prof Serv		5,000		2,087
Capital		85,000		85,000
Total		90,000		87,087

Revenue				
PARTF Grant		-		-
Transfer from General Fund		90,000		90,000
Total		90,000		90,000

Fund Balance at 5/31/19

2,913

On 9/12/18 the Town was awarded a PARTF grant of \$211,024. We are required to match \$211,024. The land the Town purchased in May of 2017, will count toward our match, and will be valued in the \$150,000 range. The Kiwanis Club has also pledged \$40,000 toward this meaning the Town may need to contribute an additional \$20,000 to complete the project.

The Town is expecting to start this project shortly.

The grant currently has an expiration date of 10/31/2021.

Projects include a full time restroom, a playground, and a pavillion.



Town of Black Mountain

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www.townofblackmountain.org

June 10, 2019

The Honorable Don Collins, Mayor
Board of Alderman
Town of Black Mountain, North Carolina

Dear Mayor and Board of Alderman:

I am pleased to submit for your consideration the proposed budget for Fiscal Year 2019-20. This budget is balanced with respect to revenues and expenditures and meets all requirements of the North Carolina Local Government Budget and Fiscal Control Act.

Overview

Black Mountain's Total Budget for FY 2019-20 is **\$11,592,230**, an increase of **3.45%** from the previous fiscal year. Personnel, operating and debt costs show increases from the FY18-19 adopted budget, while capital costs shows a decrease. The increase in personnel costs is mainly due to a 2.5% COLA adjustment for all full time employees, a new police officer position and an increase in LGERS contribution to the retirement system.

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, the Town continues 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. The Town will also be applying for a Duke Energy grant to implement stream bank restoration along the Swannanoa River.

General Fund Highlights

The FY 19-20 recommended General Fund budget is \$9,288,007, a 4.49% 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 inspector 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 - \$36,000 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.

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.

Conclusion

The tax payers of Black Mountain should be proud of our emphasis on fiscal responsibility with a regionally competitive tax rate, a low level of debt service and the continued strengthening of our Fund Balance. In addition, we continue to pursue grant opportunities, streamline our service levels and make wise capital investments. Our commitment to excellence makes the Town of Black Mountain one of the greatest places to live, work and raise a family.

I appreciate the guidance and support from the Mayor and Board of Aldermen during this process. I would also like to thank the Department Heads and staff for their work in developing this budget.

Copies of this document will be posted on the Town's website and available for public review in the Town Clerk's office. If I may be of any assistance, please don't hesitate to contact me.

Respectfully submitted,

Josh Harrold
Town Manager

SECTION TWO. It is estimated that the following revenues will be available during the fiscal year beginning July 1, 2019 and ending June 30, 2020 to make the foregoing appropriations, according to the following schedules:

SCHEDULE A. GENERAL FUND

Account Description	FY19-20 Adopted Budget
2018 AD VALOREM TAXES	5,000
2019 AD VALOREM TAXES	3,961,000
TAX INTEREST	8,000
2019 DMV TAXES	225,000
Ad Valorem / DMV Taxes	4,199,000

BUSINESS REGISTRATION	9,000
AUTOMOBILE LICENSES	33,000
LOCAL SALES TAX	1,726,000
RENTAL TAXES	1,500
Other Taxes	1,769,500

ELECTRICITY FRANCHISE TAX	500,000
TELECOMMUNICATION TAX	60,000
PIPED NATURAL GAS EXCISE TAX	20,000
WINE & BEER TAX	38,000
ABC REVENUE	54,000
VIDEO PRGM TAX	120,000
SOLID WASTE DISPOSAL TAX	5,500
CONTROLLED SUBSTANCE TAX	5,000
NC FIRE TAX STATE BUILDINGS	20,000
Unrestricted Revenues	822,500

ABC REVENUE - POLICE	15,000
PUBLIC SAFETY DONATIONS	20,000
POWELL BILL	238,000
SR. CTR. DEVELOPMENT GRANT	12,000
SLOT REVENUES	6,000
TRAFFIC STUDY GRANT	-
Restricted Revenues	291,000

COURT COSTS	800
FIRE INSPECTION FEES	25,000
BUILDING PERMITS	245,000
STORMWATER PERMITS	5,000
VARIANCE AND REVIEW FEES	7,500
Permits & Fees	283,300

Account Description	FY19-20 Adopted Budget
FIRE PROTECTION	1,250,000
POOL REVENUE	53,000
POOL CONCESSIONS	15,000
POOL RENTALS	5,000
LAKEVIEW UPSTAIRS RENTALS	22,000
LAKEVIEW DOWNSTAIRS RENTALS	3,000
PAVILION & GAZEBO RENTALS	2,000
ADULT SPORTS	8,000
YOUTH SPORTS	42,000
SUMMER CAMP	15,000
RECREATION - SENIOR CITIZEN	6,000
CARVER CENTER RENTALS	45,000
CARVER CENTER ACTIVITIES	2,500
SPECIAL EVENTS	10,500
GARDEN ACTIVITIES	2,500
REC PARK RENTALS	750
BOUNCE HOUSE RENTALS	7,500
GREY EAGLE ARENA REVENUES	6,000
SPONSORSHIPS	14,100
Sales & Services	1,509,850

ACTIVITY DONATIONS	5,000
INTEREST ON INVESTMENTS	90,100
MISC REVENUE	20,000
SALE OF EQUIPMENT AND VEHICLE	8,000
TAKE HOME VEHICLE REIMB	7,200
FUND BALANCE APPROPRIATED	105,517
INTERFUND TRANS FROM GOLF	30,000
INTERFUND TRANS FROM WATER	127,090
MONTREAT DISPATCHERS	19,950
Other	412,857

TOTAL GENERAL FUND REVENUES **9,288,007**

Fund 6300 - Watershed Restoration CPF

Expenditure		Budget		Actual
Prof Serv		63,775		62,635
Capital		75,000		58,075
Total		138,775		120,710

Revenue

Pigeon River Fund		30,000		30,000
NC DEQ Grant		73,775		61,558
Transfer from General Fund		35,000		35,000
Total		138,775		126,558

Fund Balance at 5/31/19

5,848

Reimbursed at 60% thru Land of Sky

Projects include work at the library, golf course parking lot, and portions of the actual golf course. The project on Church St was cancelled.

Fund 6400 - Riverwalk Greenway CPF

Expenditure		Budget		Actual
Prof Serv		950,000		223,024
Capital		1,208,750		-
Total		2,158,750		223,024

Revenue

NCDOT -STP grant		1,727,000		161,090
Transfer from General Fund		298,750		270,000
Contribution from Buncombe County		133,000		133,000
Total		2,158,750		564,090

Fund Balance at 5/31/19 341,066

Reimbursed at 80% thru NCDOT.

Total budget will ultimately be in the \$5,000,000 range.

\$400,000 of the Town match has been pledged from Buncombe County.
(\$133,000 received in April of 2019.)

Fund 6500 - Tomahawk Stream Stabilization CPF

Expenditure		Budget		Actual
Prof Serv		21,272		21,272
Capital		70,878		70,878
Total		92,150		92,150

Revenue				
NC Div of Environmental Quality		46,075		46,075
Transfer from General Fund		46,075		81,075
Total		92,150		127,150

Fund Balance at 5/31/19 35,000

Reimbursed at 50% thru NC DEQ

The Town is currently \$35,000 "ahead" on our match.

The Town has been awarded a \$74,000 which expires on 6/30/2020 (our match is \$37,000)

Projects involve improvements to Tomahawk Stream at the golf course.

Fund 6600 - Veterans Park Improvements CPF

Expenditure		Budget		Actual
Prof Serv		5,000		2,087
Capital		85,000		85,000
Total		90,000		87,087

Revenue

PARTF Grant		-		-
Transfer from General Fund		90,000		90,000
Total		90,000		90,000

Fund Balance at 5/31/19

2,913

On 9/12/18 the Town was awarded a PARTF grant of \$211,024. We are required to match \$211,024. The land the Town purchased in May of 2017, will count toward our match, and will be valued in the \$150,000 range. The Kiwanis Club has also pledged \$40,000 toward this meaning the Town may need to contribute an additional \$20,000 to complete the project.

The Town is expecting to start this project shortly.

The grant currently has an expiration date of 10/31/2021.

Projects include a full time restroom, a playground, and a pavillion.

Fund 6700 - Commerce Park Infrastructure CPF

Expenditure		Budget		Actual
Prof Serv		110,000		31,645
Capital		1,545,160		760,033
Total		1,655,160		791,678

Revenue				
Golden Leaf Grant		775,000		-
EDA Grant		827,580		241,300
Commerce Park Grant		52,580		12,990
Total		1,655,160		254,290

Fund Balance at 5/31/19 (537,388)

Expecting reimb from Golden Leaf in early June for \$181,130

Will be requesting reimb for a total of 300K plus by 6/13/19