BLACK MOUNTAIN TOWN COUNCIL MINUTES

April 18, 2024 | Special Called Meeting | Time: 8:30 A.M.

Town Hall Council Chambers | 160 Midland Avenue, Black Mountain, NC 28711

The Black Mountain Town Council held a meeting on Thursday, April 18, 2024, at 8:30 a.m. in the Council Chambers of Town Hall, 160 Midland Avenue, Black Mountain, NC 28711. The purpose of this meeting was to hold a FY 2024-25 Budget Work Session.

Mayor C. Michael Sobol called the meeting to order at 8:30 a.m. with the following members in attendance: Mayor C. Michael Sobol, Vice Mayor Archie Pertiller, Council Member Alice Berry, Council Member Doug Hay, Council Member Pam King, and Council Member Ryan Stone.

The following staff members were present: Josh Harrold, Town Manager; Jessica Trotman, Planning Director/Assistant Town Manager; Wesley Barker, Town Clerk; Tammy Holland, Finance Director; John Coffey, Fire Chief; Steve Parker, Police Chief; Jamey Matthews, Public Works Director; Josh Henderson, Recreation & Parks Director. Several other staff members were also present.

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FY 2024-25 Budget Work Session

This budget work session focused on proposed revenues funds across all Town departments. Town Manager Josh Harrold presented each revenue fund to the Council. Noteworthy items discussed during these presentations are included below per fund:

General Fund

- Town Manager Josh Harrold stated the current tax rate is proposed to remain at $0.321 cents, with no tax rate increase proposed at this time for FY 2024-25.
- Some discussion took place on motor vehicle fees and expenses with transit.
- Local sales and use taxes are estimated to increase around three percent (3%) per State estimates.
- Interest income on accounts will be an increase of approximately $43,000 due to the current higher interest rates.
- It was noted that the appropriated fund balance will be added in.
- Debt proceeds will be used to offset the cost of new police vehicles.
- Within the solid waste reduction fees, a proposed increase to garbage fees is requested from the current $2.00 per month, to $10.00 per month. The reason behind this requested increase is to accommodate staffing needs in Public Works for the Sanitation Supervisor position and the need to purchase a new sanitation truck in FY 26.
- Facility rentals, summer camps and youth sports revenue were reviewed.
- Projected revenues within the General Fund are an estimated total of $10,521,860. This is with no Fund Balance used to balance the budget that is sometimes done.

Planning and Development

- A new line item would be created entitled "Permits and Fees" which would combine the

Inspection Fees and Building Permit Fees.

Technology Fund

- This fund is restricted to the Planning & Development Department as a portion of these fees is to offset credit card fees and technology/software expenses.

Powell Bill

- Powell Bill funds are received from the State and must be used for maintenance of Town streets and sidewalks. Projected revenue from Powell Bill for FY 24-25 is approximately $280,000, with an estimated interest income of $3,500. There will be more Powell Bill funds coming to the Town this year from the State due to reorganization of Powell Bill distributions.
- Further, these Powell Bill funds received must be spent each Fiscal Year, or the State will take the allotted monies back, and may not allocate as much to the Town in future years if not spent.

Fire Department

- Ad Valorem Taxes for the East Buncombe Fire District was discussed with projected revenues of $1,120,000. These revenues are distributed to the Town by Buncombe County and a small portion of McDowell County as the Town's Fire Department overlaps into these fire districts.
- Fire district state insurance distribution was discussed.
- The Transfers In line item of $400,000 would cover 95% of the mini pumper truck, which would come from capital reserve funds.

Some discussion then ensued about non-profit organizations within the city limits, who are not subject to paying taxes, to see if they would be voluntarily interested in providing a donation to the Town which would help with revenues to cover costs of providing public safety services to these facilities. Staff will check with the Town Attorney on this.

Golf

- There is no proposed transfer of funds from fund balance planned for this Fiscal Year to balance the budget, because it has become a self-sustaining budget.
- There would be an increase in revenue from golf course green fees, membership fees, and golf cart fees due to recently approved golf course fee increases.
- An increase in Pro Shop sales revenue as an increase in merchandise opportunities is proposed.

Mayor C. Michael Sobol left the meeting at 9:36 a.m. Vice Mayor Archie Pertiller assumed the Mayoral role for the remainder of the meeting.

Water

- Town Manager Harrold stated there is a proposed increase in water sales revenue because Town water rates would need to be increased to accommodate the cost of City of Asheville water rates increasing an approximate thirty-one (31%) percent for wholesale. The Town currently purchases about thirty (30%) percent of its water from the City of Asheville, so this wholesale cost increase impacts the Town's budget. The increase in town water customer rates would need to be approximately six (6%) percent to keep this budget balanced. The Manager's budget message will explain any increases to water billing rates.

Stormwater

- Stormwater fee revenue would be close to FY 2023-24 figures at an estimated $355,000.
- Currently, there is a $6.00 fee for stormwater per water customer.
- No proposed fund balance transfers in, as this would be a balanced budget.

Penalty Fines and Forfeitures

- This item is enforceable by law and is required to be remitted to the local school district. Further, this is a required budgetary item for Late List penalties that the town collects for taxes and must be in a separate fund.

Police Department Forfeiture and Community Outreach

- This includes items such as drug seizures and the contributions/donations for the Christmas gift drive for local children and other outreach the department hosts.

Town Manager Josh Harrold stated for the next budget work session, he would put together a list of all capital requests and requested positions which would show amounts of each, and the Council could begin making cuts as needed to bring the expense budget amounts down or looking at other options to acquire the revenue. As it stands currently, there is an estimated $2.5 million overage with requested budgets.

The Council was presented with garbage and waste cost comparisons of neighboring municipalities compared with their annual revenue fees and staff numbers. The Council asked to check to see which of the neighboring municipalities also have recycling services.

By law, the Manager's recommended budget must be presented to the Town Council by June 1st of each year and must be approved by June 30th of each year.

Finally, Town Manager Harrold discussed new water regulations with PFAS (Per- and Polyfluorinated Substances) that would be forthcoming and would be required for all United States water systems. This would have an impact on the Town's water system for compliance and would have an expense tied to it, but more information has not yet been released.

The next FY 2024-25 budget workshop will be held on Thursday, April 25, 2024 at 8:30 a.m. at Town Hall.

There being no further business, Vice Mayor Archie Pertiller adjourned the meeting at 10:02 a.m.

C. Michael Sobol, Mayor

ATTEST:

Wesley M. Barker, Town Clerk