

**Town of Montreat
Board of Commissioners
Agenda Meeting
January 3, 2008 – 7:00 p.m.
Kirk Allen Building**

The Montreat Board of Commissioners held their regularly scheduled Agenda Meeting on January 3, 2008 at 7:00 p.m. in the Kirk Allen Building. Present among the Board were Mayor Pro Tem Eric Nichols, Commissioner Bill Hollins, Commissioner Ruth Currie, Commissioner Jack McCaskill, and Commissioner O'Neil Tate. Mayor Letta Jean Taylor was absent. Representing Town Staff were Town Administrator Ron Nalley, Public Works Director Charles Caldwell, Chief of Police William B. McClintock and Finance Officer Stefan Stackhouse. Two members of the public were also present. After calling the meeting to order, Mayor Pro Tem Nichols led the group in reciting the Pledge of Allegiance and gave the invocation.

Agenda Approval

Commissioner Hollins moved to adopt the meeting agenda as presented. Commissioner Currie seconded and all voted in favor. The motion carried 5/0.

**Public Hearing – Request to Close Portion of South Carolina Terrace
Extension Right-of-Way**

Mayor Pro Tem Nichols advised that the Council would hold a Public Hearing at next week's meeting in order to consider a request to close a portion of South Carolina Terrace Extension Right-of-Way. In response to a question from Commissioner Hollins, Mr. Nalley responded that adjoining property owners had been notified of the time and date of the public hearing by certified mail. Commissioner McCaskill expressed his concern about the need for closing a public right-of-way. Mr. Nalley reminded the Board that the North Carolina General Statutes are very specific about the steps needed to close a right-of-way and encouraged the Board to review the material in the agenda packet related to the proposed closing.

Presentation to Council – 2007 Annual Audit – Scott Hughes, Johnson, Price & Sprinkle

Scott Hughes, with Johnson, Price & Sprinkle, P.A., presented the 2007 annual audit to the Town Council. Mr. Hughes reported that the Town is in good financial health. Results of operations for the year were a positive \$195,000 in the general fund, partly due to a transfer from the enterprise fund for administrative costs. The enterprise fund showed a \$6,000 loss however that is after transferring approximately \$103,000 to the general fund. The audit resulted in an unqualified opinion, meaning that the financial statements are fairly presented in all material respects. Good budgeting and good controls over expenditures are touched on in the audit and Mr. Hughes feels the document is filled with good news. Mr. Hughes requested that the Board spend time looking at the Management's Discussion and Analysis which gives a good synopsis of the results of the operations and financial well being of the Town. Summary information on the Town's assets were discussed along with the statement that 92% of the annual budget is in cash which according to Mr. Hughes, establishing those reserves is a good thing. Mr. Hughes went on to say that he is pleased with staff and their abilities to handle change that is on the way with respect to governmental auditing and its impact on how the audit is performed. The tax

collection percentage is 99.74%. Commissioner Hollins questioned the transfer from the enterprise fund to the general fund. Mr. Hughes responded that the transfers were for administrative costs such as billing that needed to be charged to the water fund. In response to a question from Commissioner Tate, Mr. Hughes felt that the fund balance was not excessive with the potential needs of the town and the need for a several month reserve in case of an emergency. Mayor Pro Tem Nichols asked Mr. Hughes to comment on the material weaknesses found in the audit. Mr. Hughes responded that all small towns will have the segregation of duties comment, in which a small number of people wear a lot of hats. The comment is intended to tell the Board that when that much trust is placed in the hands of a small number of people, there is the potential for transactions to be mishandled. The management letter, included with the audit, is an opportunity to improve the Town's system of internal control. Items found in that letter do not rise to the level of a significant deficiency or material weakness, but are reported as opportunities for strengthening or enhancing the Town's internal control system. As an example of items found in the management letter, Mr. Hughes pointed out that during the period of 2001 through 2003, before Buncombe County began collecting taxes, that there were around \$30,000 of old taxes receivable that need to be reviewed and if the Town has the ability, collected. Mr. Hughes concluded by stating that if the Board had additional questions to not hesitate to contact him.

Presentation to Council – 2008-2013 Capital Improvement Program

Town Administrator Ron Nalley stated that he would be giving a short presentation on the 2008-2013 Capital Improvement Program. The presentation will include a definition of what is a capital improvement program, what items are included in a capital improvement program, how the town prioritizes projects and the steps for approving the plan. Mr. Nalley encouraged people to be thinking about possible projects, stating that other than the projects already included in the plan, staff is considering adding water line improvements on Greybeard Road, paving and drainage improvements to Woodland Road and the possibility of moving towards paperless agendas.

Communications From the Mayor

Mayor Taylor was absent and had no report.

Review of the Consent Agenda

Mayor Pro Tem Nichols summarized the items listed on the Consent Agenda, which included the minutes of the December 6, 2007 Agenda Meeting, December 13, 2007 Town Council Meeting, as well as approval of Fiscal Year 2007-2008 Budget Amendment #3 to reallocate funds for the paving of Texas Road Extension. Commissioner Currie noted one minor correction to the December 13, 2007 Town Council meeting minutes.

Communications From the Town Administrator

Zoning Activity Report: Mr. Nalley reported that eight projects had received Certificates of Zoning Compliance during the month of December and that two projects were pending. He also noted that Building Inspection fees totaled \$1,441.30 for the month with six permits approved and twenty-four inspections.

Planning and Zoning Commission Update: Mr. Nalley advised that the Planning and Zoning Commission will be meeting in January to discuss the Comprehensive Plan and was expected to make a formal recommendation back to the Town Council in February or March.

Board of Adjustment Update: Mr. Nalley stated that the Board of Adjustment approved the Mountain Retreat Association's Conditional Use Permit application in December and was not scheduled to meet in January.

Evaluation of Town Administrator: Mr. Nalley referred to a memorandum outlining the process for his annual evaluation and to the evaluation forms included in the agenda packet. The evaluation will be conducted similar to last year's and with the Board's permission, Mr. Nalley will request that former Commissioner Chip Craig be asked to participate. Commissioner Currie requested that Mr. Nalley prepare a summary of the goals accomplished over the last year, provide updated salary information and a summary of the areas discussed during his previous evaluation. The Board will be asked to set a date for the evaluation at their next meeting.

Scheduling of 2008 Board Retreat: Mr. Nalley advised that the Board normally holds their annual Board Retreat in March. Again, the Board will be asked to set a date for the retreat at their next meeting.

Montreat Landcare Electric Vehicle Initiative: Mr. Nalley reported that Montreat Landcare recently submitted a grant to the North Carolina Department of Environment and Natural Resources on behalf of the Town, Conference Center and College for two electric vehicles. The first vehicle will be used primarily by the Conference Center as a shuttle service. The six-passenger vehicle will be used to transport visitors to and from the different facilities during the conference season. The second vehicle is similar to a small utility vehicle and will be used jointly by the College and Town. Montreat Landcare, the Town and the College will provide their own match for the grant proposal and the Conference Center's match for the project will be provided by an anonymous donor. If awarded, the three entities will develop a shared use and maintenance agreement for the vehicles.

Building Inspector/Code Administrator Position Update: Mr. Nalley reported that the Town has received around forty applications for the Building Inspector/Code Administrator position. The advertisement will continue to run over the next week or two. A supplemental questionnaire will be sent to the applicants that meet the general qualifications for the position. Once those are reviewed, Mr. Nalley will then narrow the field of applicants for initial interviews.

Administrative Reports

Police Chief: Chief McClintock stated he would give his monthly departmental activity report at next week's meeting. Chief McClintock reported that Jack Staggs began working for the Town on December 31, 2007. The Chief also reported that he had submitted a grant request to the Polaris Ranger ATV Donation Program. The program awards all-terrain vehicles to deserving police, fire or emergency response departments.

Public Works Director:

Sanitation Update: Mr. Caldwell reported a ten ton increase in garbage and a four ton increase in recyclables as compared with December of last year.

Water System Update: Mr. Caldwell reported that the Town is still encouraging voluntary water conservation from Montreat residents and institutions. The Water Shortage Response Plan, which will be considered later in the meeting, was prepared with the current drought situation in mind. Water conservation kits are still available free of charge at the Town Services Building.

Streets Update: Mr. Caldwell reported that he met with representatives from Progress Energy to discuss installation of high pressure sodium "night cap" style street lights in four locations throughout the Town. He advised that one light would be installed by the Gate, with the other three lights planned for installation in various residential areas.

Finance Officer:

Financial Reports: Mr. Stackhouse presented and reviewed the final November 2007 and preliminary December 2007 Financial Reports. Commissioner Tate complemented Mr. Stackhouse on his work with the audit committee and looks forward to continuing his involvement with this committee.

Commissioner Reports

Mayor Pro Tem Nichols had no report at this time.

Commissioner Currie had no report at this time.

Commissioner Hollins had no report at this time.

Commissioner McCaskill had no report at this time.

Commissioner Tate reported that the Parks and Recreation Committee will be meeting on January 8th.

Public Comment

There was no public comment at this time.

Old Business

There was no old business scheduled for discussion.

New Business

Resolution Ordering the Closure of a Portion of the Right-of-Way Known as South Carolina Terrace Extension: In response to a question from Mayor Pro Tem Nichols, Mr. Nalley provided a summary of the 1983 dedication agreement between the Town and Mountain Retreat Association regarding streets and public rights-of-way. Mr. Nalley continued by stating that the Webb's are requesting that thirty feet of a thirty-five feet right-of-way remain left open and that their plans include constructing a retaining wall on a small section of the proposed closed portion of the right-of-way. Commissioner Hollins expressed his support for the possibility of keeping the right-of-way open and allowing the use of the right-of-way through an agreement similar to other agreements approved by the Board. Commissioner McCaskill stated that the retaining wall should be designed properly with proper stormwater controls and that more information is needed on the proposed construction of the retaining wall prior to the public hearing.

Proposed Revisions to Montreat Zoning Ordinance Article V and VI – Location of Building Lines on Irregularly Shaped Lots: Commissioner Currie commented that this matter is an important issue and that the Board should consider carefully what the Planning and Zoning Commission recommended along with the pertinent history provided by fellow Board members. In response to a question from Commissioner McCaskill, Mr. Nalley stated that the Planning and Zoning Commission chose to completely delete the provisions from the zoning ordinance concerning irregularly shaped lots. Commissioner Hollins stated his belief that this change will result in fewer variances being granted for that purpose and that the net result will be more conformance with setback requirements. Commissioner McCaskill felt that the proposed changes would eliminate any grey areas.

Request to Use Public Right-of-Way – Jimmie D. and Clary R. Phipps, 106 John Knox Road: Mr. Nalley reported that the Town has received a request from Jimmy and Clary Phipps to install a hillside straight-rail chair lift within the public right-of-way. In the past, the Board of Commissioners has determined that this type of use is allowable and acceptable in the right-of-way. The proposed agreement outlines the Town's terms and conditions for allowing the project. Commissioner McCaskill questioned whether appearance standards would be appropriate for this type of agreement and whether the proposed plans were approved by an engineer. Commissioner Currie stated that the Board should consider appearance standards in future agreements, however in this instance, only a very small portion of the chair lift is located in the right-of-way. Mr. Nalley responded that the plans submitted by the Phipps were stamped by an engineer.

Request to Use Public Right-of-Way – Erskine Clarke, Providence Terrace: Mr. Nalley reported that the Town has received a request from Erskine Clarke, who owns a lot on Providence Terrace, to locate a private sewer line along the public right-of-way. Staff is supportive of the request, contingent on the development of an agreement which should include provisions for reimbursement of legal costs, maintenance of the sewer line and repairing the road back to its original condition. Staff is recommending that the Town Attorney and Town Administrator be authorized to develop an agreement to allow the placement of the private sewer line within the right-of-way. Mr. Nalley concludes by stating that this matter also brings forward the need for the Board to discuss under what circumstances the Town will extend public water, sewer and roads to the undeveloped lots along unopened or those rights-of-way not currently being maintained by the Town. In response to a question from Commissioner McCaskill, Mr. Nalley responded that the Town does have an assessment policy for the extension of public infrastructure. Commissioner McCaskill also expressed his concern with the number of private lines being constructed in the right-of-way and states that ideally, water, sewer and roads should be installed to serve the whole area. The Commissioners then expressed the need to discuss the extension policy and the issue of fairness at the Board Retreat.

Request to Upgrade Texas Spur – John M. Jordan, J&S Developers: Mr. Nalley reported that the Town has received a request from John Jordan, who owns a house on Texas Spur, to have the Town repair or allow Mr. Jordan to repair his road based on safety concerns. Normally, Mr. Nalley would ask that this type of request for improving a road be discussed during the Capital Improvement Plan process. It allows the project to be weighed against the Board's priorities, the communities need and the Town's financial obligations. However, Mr. Jordan expressed interest in bringing the road up to appropriate standards at his own cost in order for the project to be completed in a timely manner. Mr. Nalley concluded by stating that if the Board were interested in pursuing this matter, that he would recommend developing an agreement that would outline the expectations of such a project, who would be responsible for what costs and how work on the project would be monitored. Commissioner McCaskill expressed his concern that the methods Mr. Jordan outlined in his letter were not acceptable methods of upgrading a road. Commissioner Hollins inquired about the requirements for providing off street parking.

Water Shortage Response Plan: Mr. Nalley stated that the drought across much of the state is the worst in recorded history. While Montreat's water supplies are adequate to carry the town through winter, entering next summer at a substantial deficit in groundwater levels is a potential critical situation. It was with this in mind, that staff reviewed the current Water Shortage Response Plan and is recommending consideration and adoption of a revised plan. The current plan does a good job at responding to an emergency crisis but does not offer a response that could lessen or eliminate a crisis. The proposed plan supports year-round conservation, establishes classes of water uses, and sets water supply thresholds or triggers for responding to water shortages. Mr. Nalley then reviewed specific areas of the plan including water supply triggers, enforcement provisions, and proposed conservation rates.

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Public Comment

There was no public comment at this time.

Meeting Dates

Mayor Pro Tem Nichols announced the following upcoming meeting dates:

<u>January Town Council Meeting:</u>	January 10, 2008, 7:00 p.m., Kirk Allen Building
<u>January Planning & Zoning Commission Meeting:</u>	January 17, 2008, 7:00 p.m., Kirk Allen Building
<u>January Board of Adjustment Meeting:</u>	January 24, 2008, 7:0 p.m., Kirk Allen Building (If Required)
<u>Town Services Office Closed:</u>	January 21, 2008 Martin Luther King, Jr. Holiday
<u>Martin Luther King Jr., Garbage Collection Date:</u>	Tuesday, January 22, 2008
<u>Agenda Items Due:</u>	February 1, 2008, 4:30 p.m., Town Services Office
<u>Agenda Packets Available:</u>	February 6, 2008 Town Services Office
<u>February Agenda Meeting:</u>	February 7, 2008, 7:00 p.m. Kirk Allen Building
<u>February Town Council Meeting:</u>	February 14, 2008, 7:00 p.m., Kirk Allen Building
<u>February Planning & Zoning Commission Meeting:</u>	February 21, 2008, 7:00 p.m., Kirk Allen Building

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Adjournment

There being no further business to discuss, Commissioner Tate moved to adjourn the Agenda Meeting. Commissioner Hollins seconded. The motion carried 5/0 and the meeting was adjourned at 8:49 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk