

**Town of Montreat
Board of Commissioners
Special Meeting
April 8, 2009 – 5:00 p.m.
Town Services Office**

The Montreat Board of Commissioners held a Special Meeting on April 8, 2009 at 5:00 p.m. in the Town Services Office. Present among the Board were Mayor Letta Jean Taylor, Mayor Pro Tem Eric Nichols, Commissioner Ruth Currie, Commissioner Bill Hollins, Commissioner Jack McCaskill and Commissioner O'Neil Tate. Representing Town Staff were Town Administrator Ron Nalley, Town Clerk Misty R. Gedlinske and Finance Officer Stefan Stackhouse. No members of the public were present. Mayor Taylor called the meeting to order and gave the invocation.

Agenda Adoption

Commissioner Hollins moved to adopt the meeting agenda as presented. Mayor Pro Tem Nichols seconded and the motion carried 5/0.

Proposed 2009-2014 Capital Improvements Program

Mr. Nalley stated that the Capital Improvements Program (CIP) was a flexible financial planning tool used to forecast the Town's future equipment, building and infrastructure needs. Items included in the CIP have a life expectancy of greater than one year and a monetary value greater than \$5,000. He reminded that Council that while the projects and expenditures listed in the CIP covered a five-year period, only those in the first year of the document would be used to determine the list of capital items included in the proposed Budget for the coming fiscal year. Mr. Nalley also explained that each project listed in the CIP was assigned both a numerical departmental priority code and an alphanumeric organizational priority code. Items addressed health or safety concerns or those mandated by Federal or State agencies were ranked higher than replacement or expansion items.

Mr. Nalley next reviewed the projected General Fund revenues and expenditures. Based on projections prepared by Mr. Nalley and Finance Officer Stefan Stackhouse, along with data received from the Buncombe County Tax Department and the North Carolina League of Municipalities, revenues for the coming year were expected to be less than the projections for the current year. Mr. Nalley explained that this was primarily caused by significant reductions in investment earnings and sales tax revenues.

He then listed the following proposed General Fund expenditures for the coming fiscal year in order of the priority which staff had assigned to each project and summarized the cost and scope of each item:

1. Purchase of a radio repeater for the Police Department
2. Replacement of the 2004 Ford Crown Victoria formerly used as a patrol car and now assigned to the Planning and Zoning Department
3. Replacement of storm drainage, repaving and restriping on Assembly Drive and the truck route around the Montreat Gate

4. Paving and storm drainage replacement on Woodland Road
5. \$15,000 in funding toward completion of a Greenways Master Plan
6. Town Hall replacement space needs and architectural design study
7. Public Works Facility space needs and architectural design study
8. Replacement of the Street Department dump truck
9. Continuation of the Native Plant Garden project

Mr. Nalley pointed out that the Town did not have enough funds available to cover the costs of all of the projects planned, and that some would have to be delayed unless other revenue sources could be found. He noted that some projects such as replacement of the Texas Road bridge may qualify for at least partial funding through the American Recovery and Reinvestment Act of 2009, and said the CIP would be revised accordingly if any monies were awarded.

Commissioner McCaskill asked whether vehicle inventory information was kept concerning the age, mileage, operating hours and annual maintenance costs of each of the Town's vehicles. Mr. Nalley verified that this information was available and would be included in the upcoming vehicle purchase policy as part of a ranking system used to determine vehicle replacement needs.

Commissioner Hollins asked about the impact of the current economic climate on Town revenues. Mr. Nalley advised that sales tax revenues were budgeted at \$300,000 for the next fiscal year to guard against potential shortfalls if economic conditions did not improve. He also said he did not include any new revenue sources in the CIP at this point as this information was not yet known and could not be relied upon.

Mr. Nalley also advised that ad valorem tax revenues were projected at a 2% natural growth rate until the 2010 property tax revaluation by Buncombe County in 2010, with a larger increase in revenues budgeted for that year. Mayor Pro Tem Nichols reiterated his statements made during previous CIP and budget discussions that property tax rates should be determined by the costs of the necessary capital projects and other expenses determined for that fiscal year and not based on property revaluation. Mr. Nalley stated that he had included information on projected property taxes to illustrate that regardless of the rate chosen, there would not be enough money to cover the costs of all of the listed capital projects and the Council would need to decide which projects to fund next year and which would need to be delayed or deferred.

Commissioner Currie felt that the projected Powell Bill reimbursement funds were not significant enough to influence the development of the proposed Street Standards Ordinance. Mr. Nalley pointed out that the reimbursement amount increased for every mile of qualifying streets or for increases in population. He also explained that Assembly Drive and the truck route around the Montreat Gate had been chosen for repaving during the next fiscal year in an effort to finish these repairs before further deterioration in the pavement condition made the project more expensive to complete. He also noted that the road age maps and pavement condition ranking tables presented at the February Board Retreat were used to determine the priority for the paving projects listed in future years of the CIP. Expenditures for uncompleted or lengthy projects will carry over to future fiscal years, and Mr. Nalley said the Board may want to consider adopting

capital project ordinances in the future to simplify this process. Engineering and preliminary design work for the Woodland Road paving project were already completed, and Mr. Nalley said he may recommend holding a neighborhood meeting during the summer to prepare for the next phase of this project.

Mr. Nalley also reported that the Town's application for NCDOT Bicycle and Pedestrian Planning Grant funding for the Greenway Master Plan had been denied. He stated that the Town Hall and Public Works facility architectural design and space needs studies could be delayed and those funds reallocated to other projects if necessary. Replacement of the 1970's model dump truck was previously budgeted for the current fiscal year and then delayed in order to use those funds for the Texas Road bridge replacement. Mr. Nalley said this project could be moved to a future year of the CIP if Council so chose. Commissioner Hollins said he was unsure that replacement of this vehicle was necessary if the item was not currently being used. Mr. Nalley also explained that the funds allocated to the Native Plant garden project would be used to complete the butterfly garden and remaining creek restoration work.

Mr. Nalley then reviewed the projected Water Fund revenues and expenditures. He stated that revenues were expected to remain largely unchanged except for a slight increase in water rates for Institutional customers during the 2011-2012 fiscal year. He listed the following proposed Water Fund expenditures for the coming fiscal year in order of the priority which staff had assigned to each project and summarized the cost and scope of each item:

1. Installation of a new water line along Peace Lane
2. Purchase and installation of an Automated Meter Reading System
3. Water line replacement along Texas Road Spur between Texas Road Extension and Well B.
4. Begin installing the necessary electrical connections at Wells A and B and both pump stations to support a portable generator to provide emergency electrical power to the Town's water system
5. Painting and maintenance work to the Town's water tanks

Mr. Nalley noted that the water line extensions planned for Peace Lane during the next fiscal year and on Providence Terrace during the following year were planned to coincide with road paving in those areas and would be funded through property owner assessments. Well site exploration was scheduled to resume during the 2011-2012 fiscal year depending on existing well yields and the amount of demand on the water system at that time. Any grant monies received for an automated meter reading system would mitigate this expense, although staff will still need to complete a cost/benefit analysis for this project.

Commissioner Currie suggested installing rock work on the outside walls of the well house near the Montreat Post Office similar to that done at the well house near the Memorial Garden. Mr. Nalley said this project could be added to the CIP if Council wished, but that it would be given a low priority according to the ranking scale because it would not be related to a health or safety issue or a State or Federal mandate. After discussion, Mr. Nalley agreed to include upgrades and

repair of well houses into the description of the water tank painting and maintenance project and said that Council could later decide how those monies should be spent.

Commissioner McCaskill asked about State budgetary “earmarked” funds and monies available through the American Recovery and Reinvestment Act of 2009 which the Town could potentially receive for infrastructure projects. Mayor Taylor explained the difference between the two sources of funding and said that the award dates for both had still not been confirmed. Mr. Nalley advised that out of twenty-four pages of proposals for consideration for funding, Montreat’s Greybeard Trail and Harmony Lane well sites were listed on page 3 and the Greybeard Trail water line replacement project was listed on page 10.

Public Comment

Mayor Taylor reminded the Council of the deadline to file for the upcoming local government elections. Brief discussion was heard concerning which seats would be eligible for appointment in that election.

Adjournment

There being no further items of business to discuss, Commissioner Tate moved to adjourn the Special Meeting. Mayor Pro Tem Nichols seconded. The motion carried 5/0 and the meeting was adjourned at 6:05 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk