

**Town of Montreat
Board of Commissioners
Special Meeting
June 1, 2009 – 5:00 p.m.
Town Services Office**

The Montreat Board of Commissioners held a Special Meeting on June 1, 2009 at 5:05 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 Jack McCaskill and Commissioner O'Neil Tate. Commissioner Bill Hollins was absent. Town Administrator Ron Nalley, Town Clerk Misty R. Gedlinske and Finance Officer Stefan Stackhouse represented Town staff. No members of the public were present. After calling the meeting to order, Mayor Taylor welcomed everyone and gave the invocation.

Agenda Approval

Mayor Pro Tem Nichols moved approve the meeting agenda as presented. Commissioner Tate seconded and all voted in favor. The motion carried 4/0.

Proposed 2009-2010 Fiscal Year Budget Review

Mr. Nalley reviewed the revisions made to the proposed budget since the May Town Council Meeting. For the General Fund, he noted that property and liability insurance costs had been reduced by \$10,000 and said that changes to employee health benefit coverage had lowered the contract price for this item by \$13,990. Further details of the employee health benefit insurance renewal proposal will be discussed at the June Agenda Meeting. The expected Fund Balance appropriation was reduced by \$23,990. For the Water Fund, capital outlay expenses were increased to reflect the receipt of funding from the American Recovery and Reinvestment Act of 2009 for well construction. Because no federal or state funding had been received for the Texas Road bridge replacement project, staff would proceed with plans to complete the project using Town funds. Mr. Nalley explained that the budget would be amended accordingly if funding later became available through an alternate source.

General Fund Revenues: The current tax rate of \$0.37 per \$100 of property valuation was proposed to remain unchanged and was based on a 99% tax collection rate. Local Government Sales Tax revenues were estimated at \$300,000. Utility Franchise Taxes were estimated at \$51,000.

General Fund Expenditures - Personnel: Mr. Nalley pointed out that the proposed budget recommended a 2.5% cost of living adjustment for all employees, at an annual cost to the Town of \$17,400. He said that he and Mayor Taylor had felt this measure was important given current economic conditions and as a way to offset increases to employee health insurance coinsurance and deductible amounts. Commissioner Currie referred to comments heard during the February Board Retreat concerning the possibility of requiring employees to contribute some percentage of matching funds to the Town's 401(k) retirement plan. Mr. Nalley said his research showed that a 5% contribution from the municipality without a fund-match requirement was customary throughout the State. Commissioner Currie and Mayor Pro Tem Nichols both supported the idea

of requiring 401(k) benefits to be provided on a matched-fund basis. After some discussion, Mayor Pro Tem Nichols suggested leaving the 401(k) benefit contributions unchanged for the 2009-2010 fiscal year, and to consider moving toward some type of matched-fund plan format for the following year. The Board agreed by consensus to leave employee 401(k) plan contributions unchanged for the next fiscal year.

General Fund Expenditures – Governing Board: Expenditures for this department were decreased 26.3% from the previous year. Notable budget items included \$22,000 for legal services, \$20,000 for annual audit services, and \$5,000 for an annexation study for the upper Greybeard Trail area.

General Fund Expenditures - Administration: Expenditures for this department were decreased 4.1% from the previous year. Notable budget items included \$13,500 for tax collection services, \$1,600 for an actuarial study and funding for an electronic deposit manager as recommended by the Audit Committee.

General Fund Expenditures - Public Buildings: Expenditures for this department were decreased 30.2% from the previous year. Notable budget items included \$42,000 in insurance costs, as well as utility fees and maintenance and repair costs.

General Fund Expenditures – Police: Expenditures for this department were decreased 30.2% from the previous year. Notable budget items included \$16,200 for dispatching services and \$5,000 toward the purchase of a radio signal repeater.

General Fund Expenditures - Planning and Zoning: Expenditures for this department were increased 25.2% from the previous year. Notable budget items included \$20,000 toward the purchase of a new inspections vehicle and costs associated with transferring residential fire inspection duties to this department from the Town of Black Mountain.

General Fund Expenditures – Public Works: Expenditures for this department were increased 1.8% from the previous year. Notable budget items included salary and benefit expenses for the Public Works Director and Phase Two, Year Five Stormwater Program costs.

General Fund Expenditures - Streets: Expenditures for this department were decreased 13.3% from the previous year. Notable budget items included \$263,000 for the Assembly Drive and truck route storm drainage and paving project, \$23,500 for street lighting, \$10,600 for the final year of debt service payments for the tractor purchase, and \$4,000 each for tree removal and road maintenance contract labor services. Mr. Nalley noted that the Woodland Road paving project and replacement of the Street Department dump truck had been removed from the proposed budget. Discussion was heard concerning whether to re-insert funding for these items as expenses for this department. Commissioner Currie felt strongly that the Board had a commitment to the residents living in this area to complete this project in the next fiscal year as previously planned. After further discussion, the Board agreed by consensus to include the

Woodland Road paving project in the proposed budget for the next fiscal year, to be funded by a Fund Balance appropriation.

General Fund Expenditures - Powell Bill: Expenditures for this department were decreased 6.9% from the previous year and included \$25,000 in paving costs for smaller-scale projects which do not require storm drainage work.

General Fund Expenditures - Sanitation: Expenditures for this department were only marginally decreased from the previous year. Notable budget items included \$16,000 in debt service payments for the sanitation vehicles, and costs associated with continued in-house garbage disposal, recycling, yard waste removal and bulk item disposal services. Mr. Nalley said he would research options for a fee-based “pay-as-you-throw” disposal service options for the 2010-2011 fiscal year that could reimburse the Town for up to 100% of collection costs.

General Fund Expenditures –Environment, Conservation and Recreation: Expenditures for this department were increased 120% from the previous year. Notable budget items included \$5,000 toward the development of a Greenways/Trails Master Plan, \$1,000 in Montreat Landcare Committee funding and continued construction funds for the Native Plant Garden project.

Appropriated Fund Balance: Mr. Nalley explained that because the Appalachian Way storm drainage and paving project would not be completed by the end of June, its funding would be returned to Fund Balance and re-allocated during the upcoming fiscal year.

Water Fund: Expenditures for this department were decreased 4% from the previous year. Notable budget items included \$92,000 for the Texas Road water line replacement project, \$37,000 in debt service payments, \$35,000 for a water line extension on Peace Lane, and a \$91,300 transfer to the General Fund. Mr. Nalley pointed out that the purchase of an automated meter reading system had been cut from the proposed budget due to lack of funding. Commissioner Currie referred to a recent staff injury incurred during manual water meter reading and felt this was evidence that the current system should be replaced for safety reasons. Mayor Taylor asked staff to continue their efforts to obtain a response on any possible funding assistance for this project.

Mr. Nalley said the draft budget would be revised to reflect the changes requested at this meeting and forwarded to the Council for their review in preparation for the public hearing on this matter scheduled for June 11. Commissioner Currie noted that she would likely be unable to attend the budget adoption meeting on June 25.

Public Comment

There were no comments from the public at this time.

Adjournment

There being no further business to discuss, Commissioner Tate moved to adjourn the Special Meeting. Commissioner McCaskill seconded. The motion carried 4/0 and the meeting was adjourned at 5:56 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk