

**Town of Montreat
Board of Commissioners
Town Council Meeting
June 12, 2008 – 7:00 p.m.
Kirk Allen Building**

The Montreat Board of Commissioners held their regularly scheduled Town Council Meeting on June 12, 2008 at 7:00 p.m. in the Kirk Allen Building. Present among the Board were Mayor Letta Jean Taylor, Commissioner Ruth Currie, Commissioner Jack McCaskill and Commissioner O'Neil Tate. Commissioner Bill Hollins arrived at 7:05 p.m. Mayor Pro Tem Eric Nichols arrived at 7:30 p.m. Representing Town Staff were Town Administrator Ron Nalley, Public Works Director Charles Caldwell, Chief of Police William B. McClintock, Town Clerk Misty R. Gedlinske, Finance Officer Stefan Stackhouse and Building Inspector/Code Administrator David Currie. Town Attorney Susan Taylor Rash arrived at 7:35 p.m. Five members of the public were also present. After calling the meeting to order, Mayor Taylor led the group in reciting the Pledge of Allegiance and gave the invocation.

Agenda Approval

Commissioner McCaskill moved to adopt the meeting agenda as presented. Commissioner Tate seconded and all voted in favor. The motion carried 3/0.

Public Hearing

2008-2009 Fiscal Year Budget: Mr. Nalley presented the draft 2008-2009 Fiscal Year Budget in the amount of \$1,860,505, with a recommended tax rate of \$0.37 per \$100 of property valuation. He noted that the significant factors influencing this budget were various capital projects, personnel costs including a cost of living salary adjustment and health insurance premium increases, in-house building inspection and code enforcement services and a nation-wide economic slowdown.

Mr. Nalley reviewed the Town's General Fund and said that the estimated real and property tax base for the upcoming fiscal year was 2%, the projected sales tax growth was only 1.6% and that state-shared revenues would not increase. He listed the major expenditures from the General Fund for each department, including implementation of a merit-based incentive pay program, the completion of a Town Hall and Public Works Facility replacement study, purchase of a Police Department patrol vehicle, paving of a portion of Appalachian Way and continuation of in-house sanitation services.

Mr. Nalley then summarized the projected revenues and expenditures for the Water Fund and said that operating revenues were budgeted at \$352,420, which represented a \$30,920 increase from the prior fiscal year. He noted no change in the water billing rates for the coming year and said that \$49,420 would be appropriated from Retained Earnings. Major projected expenditures for the Water Fund included well site construction, installation of an automated water meter reading system, debt service payments and an \$87,600 contribution to the General Fund.

Mr. Nalley noted several changes to the proposed budget made at the Board's recent Budget Workshop, including removal of a \$15,000 contribution to Montreat College toward the cost of

their audible emergency warning system, a decrease in budgeted debt service payments for a new Town Hall/Public Works Facility, receipt of \$12,800 in Mobile Source Emission Reduction Grant funds for the purchase of an electric car, revisions to the Town's audit services contract, property and liability insurance premiums and employee health insurance plan, and inclusion of the Woodland Road paving project for \$135,000. He also pointed out that \$106,195 would be appropriated from Fund Balance to cover the costs of capital improvements in the coming year.

Mayor Taylor opened the public hearing on this matter. No comments from the public were heard at this time, and the public hearing was then closed.

Communications From the Mayor

Mayor Taylor read the language of a Resolution of Appreciation of the Montreat Public Works Department aloud. Commissioner Currie then moved to adopt Resolution #08-06-0001 of Appreciation of the Montreat Public Works Department. Commissioner Hollins seconded and all voted in favor. The motion carried 4/0.

Review of the Consent Agenda

Mr. Nalley said that with the adoption of the Consent Agenda, Council had approved the following items:

- The March 8, 2008 Board Retreat Minutes
- The April 10, 2008 Town Council Meeting Minutes
- The May 1, 2008 Agenda Meeting Minutes
- The May 8, 2008 Town Council Meeting Minutes
- The May 13, 2008 Budget Workshop Meeting Minutes
- Fiscal Year 2007-2008 Budget Amendment #4 to reflect the continuation of the contract for building inspection services with the Town of Black Mountain through June 30, 2008
- Fiscal Year 2007-2008 Budget Amendment #5 to reflect additional funding for legal services and the final payments for the Comprehensive Plan
- Re-appointment of Charlie Mitchell and Jerone Herring as regular members of the Planning and Zoning Commission for a three-year terms to expire on January 31, 2011
- A call for a Public Hearing on July 10, 2008 at 7:00 p.m. or as soon thereafter as possible to discuss proposed changes to the Montreat Board of Commissioners Rules and Procedures, Montreat General Ordinances, Montreat Zoning Ordinance, Ordinance Regulating Wireless Communication Technology, and Ordinance Regulating the Construction and Financing of Public Improvements in Order to Adopt a Fee Schedule for the Town of Montreat

Communications from the Town Administrator

Building Inspection Services Contract Termination – Town of Black Mountain: Mr. Nalley presented copies of his letter to Black Mountain Town Manager Tony Caudle terminating Montreat's contract for building inspection services effective July 1, 2008.

Citizen Request – Erskine Clarke: Mr. Nalley referred to several items of correspondence from Erskine Clarke supporting his request that the Town of Montreat reimburse him for half the estimated \$40,000 cost of installing an eight-inch public sewer line with accompanying manholes in the public right-of-way along Providence Terrace. Mr. Nalley said that the Board had been quite clear during earlier discussion of this matter that any future extensions of roads, water lines or sewer service must be paid for by the residents receiving those benefits. He also noted that Council had previously executed an agreement with Mr. Clarke allowing installation of a public sewer line which conformed to Metropolitan Sewerage District standards at his own expense.

Citizen Request – Sissy Jones: Mr. Nalley said that in response to Sissy Jones' request, Council had agreed by consensus at last week's agenda meeting to consider at its July meeting a resolution of intent to close and exchange portions of public right-of-way with the adjoining property owners near her property on Salem Drive. He explained that Ms. Jones planned to extend the road and install sewer services consistent with Town ordinances and Metropolitan Sewerage District requirements at her own expense.

Letter of Appreciation – Ellen Ramsey: Mr. Nalley presented copies of a letter from Ellen Ramsey as an example of the many tokens of appreciation and compliments the Public Works and Police Department had received over the past few weeks for their assistance during the May windstorm.

Administrative Reports

Police Chief: Chief McClintock gave his departmental activity report for the month of May and noted a significant increase in dispatched and officer-initiated calls in response to the eight homes damaged and 63 large fallen trees during the May 11, 2008 windstorm. He also advised that his research indicated that gravel trucks were not required to use covers over their cargo areas according to current State law. Chief McClintock continued by stating that his department would be conducting a vehicular speed and traffic count study during the summer season and would provide a report at the September Town Council meeting.

Public Works Director: Public Works Director Charles Caldwell reported that bi-weekly garbage and recycling collection began during the first week of June and noted that trash collection on Independence Day would be delayed until Saturday, July 5, 2008. He also reported that a well that had recently over-pumped and caused air complaints had been repaired and that approximately 90% of the brush and yard debris from the recent windstorm had been collected. Mr. Caldwell ended his report by thanking the Board for their recognition of his department, as

well as the Montreat Police Department and Progress Energy crew members for their assistance in clearing roads, directing traffic and repairing downed power lines during the May windstorm.

Finance Officer: Mr. Stackhouse presented and reviewed the final April 2008 and preliminary May 2008 Financial Reports. There were no comments or questions from the Council at this time. He also advised that two members of the Audit Committee had recently visited the Town Service Office to observe daily depositing and financial record-keeping procedures.

Building Inspector/Code Administrator: Mr. Currie presented and reviewed his zoning activity and building inspections report for the month of May. He reported that the Planning and Zoning Commission had directed staff to prepare the list of ordinance revisions to remove references to specific fee amounts. He also said that the Commission had then spent the majority of their May meeting discussing a draft steep slope ordinance which staff would revise and present for further consideration in June.

Zoning and Building Services Software – ZonePro Systems, Inc.: Mr. Currie also reported that installation of zoning and building services software from ZonePro Systems, Inc. would take place during the following week. He explained that this software system would replace existing paper-based scheduling and record-keeping methods with an integrated database containing all permitting, code enforcement and property information and would be linked to the Buncombe County Geographical Information System (GIS). Mr. Currie advised that the \$2,160 cost of the ZonePro system included data conversion, installation, software and training, plus a \$216 annual contract for technical support and software updates.

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 a parade committee had been appointed to represent the Parks and Recreation Committee, LandCare, Montreat Trail Club and other environmental groups in the upcoming 4th of July Parade.

Public Comment

Sissy Jones was recognized and asked for clarification of the process and timeline for consideration of her request for right-of-way closures to allow road and sewer extensions near her home on Salem Drive. Mayor Taylor explained that the Board would consider adoption of a Resolution of Intent at its July 10, 2008 Town Council meeting which, if approved, would set a

public hearing on the matter at the August 14, 2008 Town Council meeting. Mayor Taylor also advised that notice of the requested right-of-way closures would then be advertised according to State statutes and could be considered for final approval at the August Town Council meeting.

Erskine Clarke asked the Council to reconsider whether one or two citizens should be required to install public sewer lines consistent with Metropolitan Sewerage District standards when neighboring property owners had previously been allowed to install smaller, private sewer lines at significantly less cost. He stated he had executed an agreement with the Town to install the public sewer line at his expense in order to build a home on his lot and was willing to bear those costs but said he questioned the fairness of obligating him to do so.

William Scheu was recognized and said that Mr. Clarke had invited him to speak to the Council on his behalf. Mr. Scheu believed that as a matter of fairness and equity to Mr. Clarke, Council should consider possible legal means of requiring the other property owners whose lots may be serviced by the sewer line to reimburse Mr. Clarke for a portion of the installation costs.

Rusty Frank commended the recent efforts of Public Works Department staff member Michael Harrison.

Old Business

2008-2009 Fiscal Year Budget Discussion – Special Meeting: Mayor Pro Tem Hollins moved to set a special meeting on June 26, 2008 at 7:00 p.m. in Room “A” of the Wayout Building to adopt the 2008-2009 Fiscal Year Budget Ordinance, make any necessary budget amendments to the 2007-2008 Fiscal Year Budget and approve the annual audit services contract for Fiscal Year 2008-2009. Mayor Pro Tem Nichols seconded and all voted in favor. The motion carried 5/0.

New Business

Health Insurance: Mayor Pro Tem Nichols moved to authorize the Town Administrator and Finance Officer to execute a contract effective July 1, 2008 with BlueCross/BlueShield of North Carolina for employee benefit health insurance for Fiscal Year 2008-2009. Commissioner Tate seconded and all voted in favor. The motion carried 5/0.

Revised LandCare Memorandum of Understanding (MOU): Mr. Nalley advised that in August of 2006, the Town signed a Memorandum of Understanding (MOU) with Land-of-Sky Regional Council for reimbursement of up to \$1,500 of expenses for the Montreat LandCare Team, which expired on May 31, 2008 with \$1,000 unspent. He explained that staff recommended the MOU be revised and extended until July 31, 2008, which would allow negotiation of a final grant funding amount available for LandCare projects and a list of acceptable expenditures. Commissioner Tate moved to authorize the Mayor and Town Administrator to negotiate a revised LandCare Memorandum of Understanding with Land-of-Sky Regional Council and to extend the MOU until July 31, 2008. Commissioner Currie seconded and all voted in favor. The motion carried 5/0.

Proposed Revisions to the Ordinance Regulating the Construction and Financing of Public Improvements: Mr. Nalley said that revisions to the Town's outdated Ordinance Regulating the Construction and Financing of Public Improvements would take more time than previously expected to complete. He asked the Council to review the Metropolitan Sewerage District's Policy and Procedures for Extension of Service as well as the City of Raleigh's ordinances governing street and sidewalk improvements and utility system extensions as a potential framework for drafting an updated ordinance. During discussion, Commissioner Tate asked whether the Mountain Retreat Association could be considered a developer under a revised ordinance. Ms. Rash was not sure whether there were legal mechanisms in place to compel the MRA to pay for the costs of public utility extensions on any of the undeveloped lots they sold as these were platted and subdivided long before public services were available or even before the Town was incorporated. She noted that the MRA would be subject to any special assessments the Town may choose to apply to all property owners within an area where public services were to be extended.

In response to Commissioner McCaskill's inquiry, Mr. Nalley stated that although unopened public right-of-way areas were dedicated to the Town as part of the MRA's Greenspace Agreement the Town did not maintain them and had no legal obligation to do so. Commissioner McCaskill also felt that any revisions to the public improvements ordinance should include assessment options for those property owners benefited by service extensions and that the revised ordinance should be made equally applicable to all undeveloped areas not currently maintained by the Town. Commissioner Currie asked whether property owners who already have private water or sewer lines installed would be affected by any assessment options provided in the revised ordinance. Ms. Rash replied that the ordinance could be written to allow the Town to define a particular area where public service extensions were planned, develop a construction plan and assess all of the property owners affected by those improvements for a percentage of the installation costs. She continued by explaining that North Carolina General Statutes provided several assessment calculation options, such as the number of lots or street frontage distance affected or by calculating the increase in property value created by the installation of the improvement would provide. She cautioned that assessments for street and sidewalk extensions required a signed petition from at least 50% of the affected homeowners. Mr. Nalley also pointed out that the Town would also be responsible for a portion of the cost for street extensions and would need to consider that as part of each fiscal year's budget adoption process.

After further discussion, Council agreed by consensus for Mr. Nalley and Ms. Rash to prepare a revised ordinance draft for further consideration at next month's meeting. The Board also agreed to review the sample ordinances from the Metropolitan Sewerage District and the City of Raleigh and forward their comments to Mr. Nalley over the coming weeks. Mr. Nalley stated he would respond to Mr. Clarke's letter and advise him of the Council's intention to proceed with the revision of the Town's public utility ordinance that will be applicable to his and other similar requests.

Liability Insurance: Mayor Pro Tem Nichols moved to authorize the Town Administrator and Finance Officer to execute a contract effective July 1, 2008 with Argonaut Great Central

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Insurance Company for property and liability insurance for Fiscal Year 2008-2009. Commissioner McCaskill seconded. Mr. Nalley advised that the Town's insurance representative had not received any responses in the past week to her request for competitive insurance quotes. He also said that a copy of the loss report for the current fiscal year was available for review in the Town Services Office. The motion then carried 5/0.

Public Comment

There were no comments from the public at this time.

Meeting Dates

After discussion, the Council agreed by consensus to hold a combined Agenda and Town Council meeting on July 10, 2008. Mayor Taylor then announced the following upcoming meeting dates:

Revenue Source Committee Meeting: June 13, 2008, 4:30 p.m.,
Town Services Office

June Planning & Zoning Commission Meeting: June 19, 2008, 7:00 p.m.,
Wayout Building, Room "A"

2008-2006 Fiscal Year Budget Adoption Date: June 26, 2008, 7:00 p.m.,
Wayout Building, Room "A"

Agenda Items Due: June 27, 2008, 4:30 p.m.,
Town Services Office

July Parks and Recreation Committee Meeting
(tentative): July 1, 2008, 9:00 a.m.
Outdoor Education Classroom

Agenda Packets Available July 1, 2008
Town Services Office

Town Services Office Closed: Friday, July 4, 2008
Independence Day Holiday

Independence Day Sanitation Collection Date: Saturday, July 5, 2008

Summer Bulk Item Collection Date: Tuesday, July 8, 2008

July Planning and Zoning Commission Meeting: July 17, 2008, 7:00 p.m.,
Kirk Allen Building

Adjournment

There being no further business to discuss, Commissioner Curie moved to adjourn the Town Council Meeting. Mayor Pro Tem Nichols seconded. The motion carried 5/0 and the meeting was adjourned at 8:50 p.m.

Letta Jean Taylor, Mayor

Misty R. Gedlinske, Town Clerk